

Volume I

Supplemental Information and Appendices

Congressional Submission, 2017

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Budget Authority by Account

Budget Authority (dollars in thousands)			
BA/Fund Account	2015	2016	2017
	Actual	Enacted	Request
Federal funds:			
Benefit programs:			
Disability Compensation			
Disability Compensation	\$73,364,345	\$70,906,319	\$79,770,017
Total Disability Compensation	73,364,345	70,906,319	79,770,017
Burial Mandatory Benefits	210,423	220,424	225,525
Pensions Mandatory Benefits	5,496,232	5,738,802	6,087,586
<i>Economic Recovery Act (non-add)</i>			
Subtotal, Compensation and Pension	79,071,000	76,865,545	86,083,128
Education Mandatory Benefits	13,838,679	12,941,285	14,875,646
Vocational rehabilitation and employment Mandatory Benefits	1,158,457	1,372,073	1,465,182
Vocational rehabilitation loan subsidy (non-add)	7	31	36
Subtotal, Readjustment Benefits	14,997,136	14,313,358	16,340,828
Insurance Mandatory Benefits	63,257	77,160	108,525
Housing Mandatory Benefits	459,807	509,008	0
Housing Program Original Loan Subsidy	404,521	345,814	584,088
Non-Appropriated Accounts			
Vocational Rehabilitation Upward Reestimate	113	78	0
Native American Veteran Housing	1,092	673	0
Housing Benefit Program fund Liquidating	-12,837	-11,971	-10,519
Trust Funds	908,687	846,812	756,558
General Post Fund	23,447	24,200	25,100
Proprietary receipts	-492,005	-574,137	-256,459
Intragovernmental transactions	-133	-110	-90
Total Benefits Mandatory	95,424,085	92,396,430	103,631,159
Veterans Health Administration (VHA):			
Medical and Prosthetic Research	588,513	630,735	663,366
Medical Programs:			
Medical Services 1/	45,041,948	49,721,986	45,039,208
Medical Care Collections Fund (MCCF)	3,422,806	3,515,171	3,558,307
Total Medical Services with MCCF	48,464,754	53,237,157	48,597,515
Community Care	0	0	7,496,181
Medical Support and Compliance 1/	5,788,131	6,116,595	6,495,794
Medical Facilities 1/	4,620,775	4,983,497	5,685,380
DoD-VA Health Care Sharing Incentive Fund	15,000	0	30,000
Joint DoD-VA Medical Facility Demonstration Fund	376,376	387,908	397,106
Medical Care Collections Fund (MCCF)	22,330	22,102	22,316
Total Demonstration Fund with MCCF	398,706	410,010	419,422
Total Medical Programs with MCCF	59,287,366	64,747,259	68,724,292
Total Medical Programs without MCCF	55,842,230	61,209,986	65,143,669
Total VHA with MCCF	59,875,879	65,377,994	69,387,658
Total VHA without MCCF	56,430,743	61,840,721	65,807,035
Veterans Choice Act	0	0	0
National Cemeteries Administration	256,630	271,220	286,193
Department Administration:			
General Administration	320,015	336,659	417,959
Board of Veterans' Appeals	99,180	109,884	156,096
<i>Credit Reform - General Counsel (non-add)</i>	5,458	5,473	5,620
VBA-GOE	2,531,900	2,707,734	2,826,161
Credit Reform - VBA (non-add)	138,115	139,758	170,188
Subtotal, GOE	2,951,095	3,154,277	3,400,216
Filipino Veterans Equity Compensation Fund	0	0	0
Office of Inspector General	126,686	136,766	160,106
Construction Major	692,000	1,282,851	528,110
Construction Minor	492,200	406,200	372,069
Grants for State Extended Care	90,000	120,000	80,000
Grants for State Cemeteries	46,000	46,000	45,000
Credit Reform	161,089	166,090	200,444
Information Technology 2/	3,895,070	4,126,205	4,270,958
Franchise Fund	-36,030	0	0
Total Departmental Administration	8,418,110	9,438,389	9,056,903
Total Budget Authority	\$163,974,704	\$167,484,033	\$182,361,913
Total Mandatory	\$95,424,085	\$92,396,430	\$103,631,159
Total Discretionary without MCCF	\$65,105,483	\$71,550,330	\$75,150,131
Total Discretionary with MCCF	\$68,550,619	\$75,087,603	\$78,730,754

⁽¹⁾2017 amounts do not include mandatory legislative proposals

1/ Amounts are post-transfer to the two joint VA-DoD accounts.

2/ Amount is post-transfer to the Joint DoD-VA Medical Facility Demonstration Fund.

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Mission

Our Mission: *What We Are Here to Do*

To fulfill President Lincoln's promise – "To care for him who shall have borne the battle, and for his widow, and his orphan" – by serving and honoring the men and women who are America's Veterans.

President Lincoln's immortal words – delivered in his Second Inaugural Address more than 140 years ago – describe better than any others the mission of the Department of Veterans Affairs (VA). We care for Veterans, their families, and survivors – men and women who have responded when their Nation needed help. Our mission is clear-cut, direct, and historically significant. It is a mission that every employee is proud to fulfill.

VA fulfills these words by providing world-class benefits and services to the millions of men and women who have served this country with honor in the military. President Lincoln's words guide VA employees, who are committed to providing the best medical care, benefits, social support, and lasting memorials that Veterans and their dependents deserve in recognition of Veterans' service to this Nation.

Our Programs: *What We Do*

The Department of Veterans Affairs is comprised of three administrations that deliver services to Veterans and staff offices that support the Department:

- The **Veterans Health Administration** (VHA) provides a broad range of primary care, specialized care, and related medical and social support services that are uniquely related to Veterans' health or special needs. VA advances medical research and development in ways that support Veterans' needs by pursuing medical research in areas that most directly address the diseases and conditions that affect Veterans.
- The **Veterans Benefits Administration** (VBA) provides a variety of benefits to Veterans and their families.
 - **Compensation Benefits.** The VA Compensation Program provides Veterans monthly payments and ancillary benefits to help offset the average potential loss of earning capacity caused by disability incurred in or aggravated during active military service. This program also provides monthly payments to surviving spouses, dependent children, and dependent

parents to offset the economic loss caused by the Veteran's death during active military service or as a result of a service-connected disability after discharge from service.

- **Pension Benefits.** The VA Pension Program provides monthly payments to Veterans with financial need who served in a time of war and are either totally disabled or are of advanced age. This program also provides monthly payments to income-eligible surviving spouses and dependent children of deceased wartime Veterans who died as a result of a disability unrelated to military service.
- **Fiduciary Services.** The VA Fiduciary Program appoints fiduciaries, generally family members or caregivers, to Veterans and other beneficiaries who, because of injury, disease, infirmities of age, or youth, are unable to manage their VA benefits.
- **Educational Opportunities.** The VA Education Program provides benefits to eligible Veterans, Service members, Reservists, Survivors, and dependents to enable them to achieve their educational or vocational goals.
- **Vocational Rehabilitation and Employment Services.** The VA Vocational Rehabilitation and Employment Program assists Veterans with service-connected disabilities and an employment handicap (an impairment in substantial part from a service-connected disability) prepare for, find, and maintain suitable employment.
- **Home Ownership Promotion.** The VA Loan Guaranty Program helps eligible Veterans, active duty personnel, surviving spouses, and members of the Reserve components and the National Guard become homeowners by providing access to favorable loan terms.
- **Life Insurance Benefits.** The VA Insurance Program provides life insurance benefits to Veterans and Servicemembers that may not be available from the commercial insurance industry due to lost or impaired insurability resulting from disabilities incurred in or aggravated during military service.
- The **National Cemetery Administration** provides burial and memorial benefits to Veterans and their eligible family members.
- The staff offices provide a variety of services to the Department including information technology, human resources management, strategic planning, Veterans outreach and education, financial management, acquisition, and facilities management.



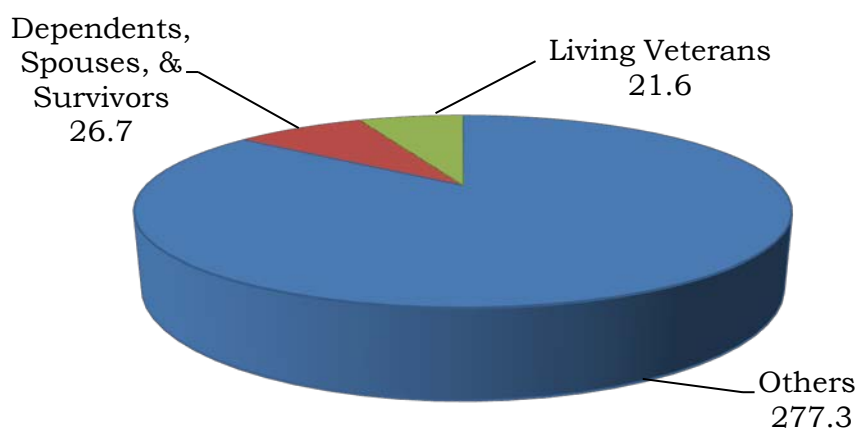
Population of American Veterans

Veterans Population

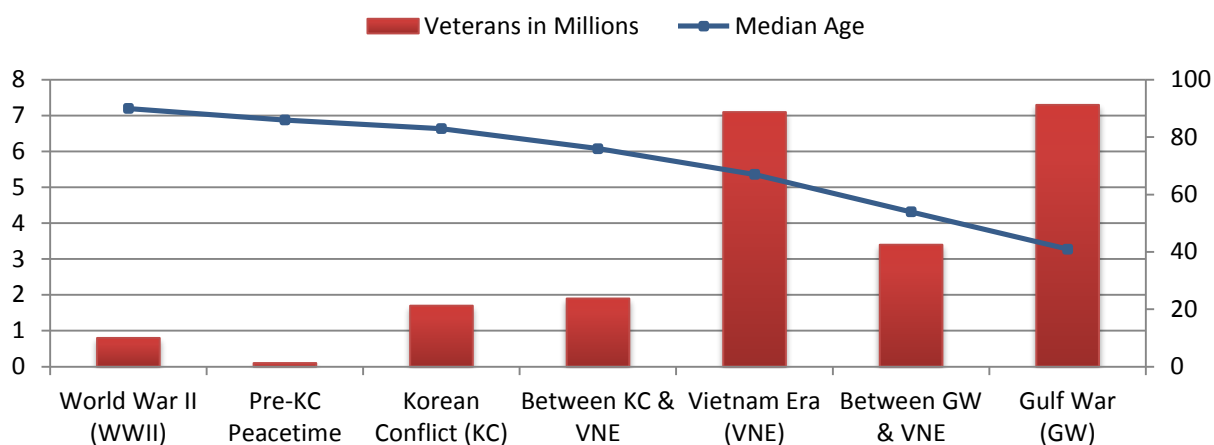
On September 30, 2015, there were an estimated 21.7 million living Veterans, with 21.6 million of them in the United States and Puerto Rico. There were an estimated 26.1 million dependents (spouses and dependent children) of living Veterans in the U.S. and Puerto Rico. Additionally, there were about 594,000 survivors of deceased Veterans receiving survivor benefits (either Dependency and Indemnity Compensation or death pension payments) in the U.S. and Puerto Rico. Thus, approximately 48.3 million people, or 14.8 percent of the total estimated resident population of the U.S. and Puerto Rico (325.6 million), were recipients, or potential recipients, of Veterans' benefits from the Federal Government.

The pie chart represents the estimated number (in millions) in the resident population of the U.S. and Puerto Rico classified as living Veterans, dependents of living Veterans and survivors of Veterans receiving VA survivor benefits, and others (the remainder of the resident population) as of September 30, 2015.

Estimated Population (in Millions) of Living Veterans, Dependents of Living Veterans, Survivors of Veterans Receiving VA Survivor Benefits, and Others
U.S. and Puerto Rico, September 30, 2015



Estimated Number and Median Age of Veterans by Period of Service*, September 30, 2015



9/30/2015	Median Age	Veterans in Millions
World War II (WWII)	90	0.8
Pre-KC Peacetime	86	0.1
Korean Conflict (KC)	83	1.7
Between KC & VNE	76	1.9
Vietnam Era (VNE)	67	7.1
Between GW & VNE	54	3.4
Gulf War (GW)	41	7.3

* Veterans are included in all wartime periods in which they served. Therefore, period categories do NOT add to total Veteran population.

Source – Veteran Population Projection Model 2014



Estimates & Projections of the Veterans Population

Estimates and Projections ⁽⁵⁾ of the Veteran Population of the United States, Puerto Rico, US Island Areas ⁽⁶⁾ , and Foreign Countries											
September 30, 2014 -- September 30, 2024											
Veteran populations projected as of September 30, 2015.											
Period	9/30/2014	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023	9/30/2024
All Veterans ⁽¹⁾	21,999,108	21,680,534	21,368,156	21,065,561	20,761,269	20,461,616	20,170,355	19,874,602	19,583,789	19,295,709	19,011,203
Wartime Veterans ⁽¹⁾	16,502,814	16,298,731	16,104,402	15,923,531	15,744,872	15,574,463	15,394,249	15,196,437	14,980,102	14,726,650	14,465,419
Gulf War ⁽²⁾⁽³⁾	7,033,181	7,251,583	7,468,078	7,686,143	7,893,962	8,096,918	8,278,488	8,432,282	8,557,501	8,635,838	8,695,706
GW Only	6,664,615	6,888,473	7,110,671	7,334,703	7,548,785	7,758,318	7,946,804	8,107,896	8,240,799	8,327,228	8,395,621
GW, VNE Only	368,566	363,110	357,408	351,440	345,177	338,600	331,684	324,386	316,702	308,610	300,085
Vietnam Era ⁽²⁾	7,247,490	7,102,850	6,953,004	6,797,480	6,635,637	6,467,052	6,291,300	6,107,795	5,916,580	5,717,382	5,510,104
VNE Only	6,673,279	6,551,490	6,424,320	6,291,291	6,151,818	6,005,444	5,851,676	5,689,789	5,519,650	5,340,895	5,153,294
VNE, KC Only	173,018	160,685	148,297	135,888	123,409	110,869	98,340	86,018	74,197	63,086	52,914
VNE, KC, WWII Only	32,628	27,565	22,979	18,862	15,233	12,140	9,599	7,603	6,030	4,790	3,811
Korean Conflict ⁽²⁾	1,886,476	1,739,129	1,592,188	1,446,119	1,300,651	1,156,117	1,013,644	875,703	745,105	624,308	516,308
KC Only	1,606,022	1,487,553	1,368,070	1,248,038	1,127,104	1,005,314	883,669	764,621	651,019	545,415	450,813
KC, WWII Only	74,808	63,326	52,842	43,331	34,906	27,795	22,034	17,461	13,859	11,016	8,770
WWII ⁽²⁾	1,017,314	847,419	695,637	562,172	448,580	355,919	282,075	223,727	177,734	141,416	112,692
WWII Only	909,878	756,529	619,816	499,979	398,442	315,985	250,441	198,664	157,845	125,609	100,111
Peacetime Veterans ⁽⁴⁾	5,496,294	5,381,803	5,263,754	5,142,030	5,016,397	4,887,153	4,776,107	4,678,165	4,603,687	4,569,060	4,545,784
Between GW & VNE	3,383,568	3,359,303	3,333,888	3,307,343	3,279,678	3,250,864	3,220,847	3,189,643	3,157,072	3,123,007	3,087,304
Between KC & VNE	2,008,458	1,929,987	1,848,490	1,763,880	1,676,146	1,585,419	1,491,816	1,395,498	1,296,878	1,196,208	1,093,628
Pre-KC	104,268	92,514	81,376	70,808	60,572	50,871	41,895	34,011	27,323	21,862	49,185
Detail may not add to totals or subtotals due to rounding.											
⁽¹⁾ Veterans serving in more than one period of service are counted only once in the total.											
⁽²⁾ This sum includes Veterans who served in multiple periods.											
⁽³⁾ Prior to Fiscal Year 2010, Post-Gulf War Veterans (10/01/09 - present) were included under Peacetime Veterans.											
⁽⁴⁾ Veterans who served both in wartime and peacetime are only counted as serving in wartime.											
⁽⁵⁾ These data differ slightly from published Census data because they include 17 year-old Veterans and Veterans in foreign countries, neither of which are included in the published Census.											
⁽⁶⁾ US Island Areas is composed of Virgin Islands, Guam, American Samoa, and the Northern Marianas.											
Source: Veteran Population Model 2014 as of September 30, 2015											

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Proposed Legislation Summary

Summary of Legislation Proposed

Medical Care – Proposed Legislation

The ten following legislative proposals have budgetary impact:

Extend Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) Eligibility for Covered Children Up to Age 26: Legislation will be proposed to amend title 38 of the United States Code (U.S.C.) to increase the maximum age for children eligible for medical care under (CHAMPVA) program to age 26 regardless of student or marital status. Title 38 U.S.C. § 1781 authorizes the Secretary to provide for medical care in the same or similar manner and subject to the same or similar limitations as medical care is furnished to certain dependents and survivors of active duty and retired members of the Armed Forces under chapter 55 of title 10 (TRICARE).

The Patient Protection and Affordable Care Act, signed into law March 23, 2010, extended health care coverage to dependent children up to age 26 under a parent's group health plan. Currently, CHAMPVA beneficiaries between the ages of 18 and 23 who are pursuing a full-time course of instruction at an educational institution and are not married, remain eligible for benefits until their 23rd birthday. This proposal would extend coverage to beneficiaries from age 18 to 26 regardless of student or marital status thus allowing VA to comply with benefits available under the Patient Protection and Affordable Care Act.

Grants for Transportation of Highly Rural Veterans: Legislation will be proposed to extend Congress' authorization of \$3.1 million dollars for each fiscal year (FY) from 2016 to 2020. This proposal would authorize the Department of Veteran Affairs (VA) to conduct the Grant Program for Transportation of highly Rural Veterans. The existing authority expires after FY 2015. Section 307 of Public Law (P.L.) 111-163, the Caregivers and Veterans Omnibus Health Services Act of 2010, specifies that VA "shall establish a grant program to provide innovative transportation options to Veterans in highly rural areas." Eligible applications under the law include Veteran Service Organizations and State Veteran Agencies seeking to provide innovative transportation services to Veterans residing in highly rural counties (i.e., those having an average of seven or less persons per square mile). Selected grantees are eligible to receive grants up to a maximum amount of \$50,000. Transportation services provided to rural Veterans using these grants are to be provided free of charge.

Continuing Professional Education Requirements for All Full-Time Certified Advanced Practice Registered Nurses (APRNs): Legislation would amend 38 U.S.C. § 7411 to include authority to reimburse continuing professional education (CPE) for full-time board certified APRNs. Title 38 U.S.C § 7411 allows for CPE reimbursement, up to \$1,000 per year, for full-time board certified physicians and dentists. The VA physician CPE reimbursement program originated from legislation establishing CPE funding as a permanent standing budget item each year to benefit physicians and dentists only.

Physicians and dentists are not the only medical care providers who benefit from CPE. In 2011, the Institute of Medicine report titled, *Future of Nursing* documented that continuing education for APRNs is imperative for the continued improvement of quality outcomes in patient care. In agreement with recommendations from the National Institute of Health, American Association of Colleges of Nursing (AACN), The Robert Wood Johnson Group, and others, the importance of ensuring continuing education for APRNs is essential to maintaining high-quality care.

Enhance Veteran Safety by Exempting Copayment Requirements for Naloxone Rescue Kits and Education: Legislation will be proposed to amend title 38 U.S.C. § 1722 to eliminate copayment requirements for dispensing naloxone rescue kits. This amendment attempts to reverse the toxic effects of opioid overdoses and educate Veterans and, when the Veterans consent, their families about opioid use. It is not clear from current law, regulations, and administrative guidance if copayments should be required for medications, such as naloxone kits, prescribed as a preventive intervention. However, 38 U.S.C. § 1722A indicates that copayments are required for medications used for treatment of conditions or disabilities.

Veterans with ongoing opioid use disorders often feel invulnerable to the adverse effects of these medications, even after periods of abstinence when their reduced tolerance puts them at increased risk of overdose if they relapse. By offering naloxone kits without requiring a copayment, both VA as a health care system and each Veteran's medical care provider can appropriately emphasize the unpredictable risk associated with opioid use, and have a profound impact on Veteran patients' safety.

Title 38 Appointment and Compensation System for Medical Center Directors and Network Directors: Legislation would establish an appointment and compensation system under title 38 for the Veterans Health Administration (VHA) occupations of Medical Center Director and Network Directors. These positions have a significant impact on the overall management of the Department's health care system. Under this proposal, the appointments and rates of pay for employees who occupy these positions would be set and adjusted by the Secretary without regard to the provisions of title 5, U.S.C., with a maximum basic rate of pay set no more than the amount established in title 3 U.S.C. § 102. The designations would remain eligible for performance awards in accordance with VA guidance and Secretary approval. Pay would be determined for each covered executive based on the methodology of a compensation system similar to what is currently in place for VHA physicians and dentists (38 U.S.C. § 7431) P.L. 108-445. Each executive would be evaluated against appropriate market pay criteria including, but not

limited to, complexity of the assignment, applicable labor market salary data, experience, accomplishments, and overall results-driven performance. The aggregate pay limitation for this system would be the same as the VHA physicians and dentists pay system, which is no more than the amount of \$400,000 established under 38 U.S.C § 7431(e)(4).

Veterans Transportation Service (VTS): Transportation of Individuals to and from Facilities of the Department of Veterans Affairs: Legislation will be proposed to extend the operational authority in 38 USC § 111A, that authorized VA to transport any person to or from a VA facility or other place in connection with vocational rehabilitation or counseling required by the Secretary pursuant to chapter 34 or 35 of title 38, or for the purpose of examination, treatment, or care. This authority was enacted in January 2013 as section 202 of the Dignified Burial and Other Veterans' Benefits Improvement Act of 2012, P.L. 112-260. P.L. 113-175, section 401 subsequently extended the expiration of this authority to December 31, 2015. VA launched a Veterans Transportation Service (VTS) initiative in 2010 to enhance, support, and organize transportation services provided by volunteers to assist Veterans in getting to and from their VA health care appointments. However, with increasing numbers of transportation-disadvantaged Veterans, there are not enough volunteers in all regions of the country to sustain the current level of service. Further, volunteers generally do not transport Veterans who are not ambulatory, require portable oxygen, have undergone a procedure involving sedation, or have other clinical issues and some volunteers are reluctant to transport very ill Veterans. Section 202 allows VA to supplement volunteers with VA staff drivers. Without the proposed extension, it is possible that VTS will need to be significantly reduced or curtailed, particularly in rural areas of the country.

Clarify Breach of Agreement under the Employee Incentive Scholarship Program (EISP): Legislation will be proposed to amend title 38 U.S.C., chapter 76, section 7675, subchapter VI, to provide that full-time student participants in the EISP would have the same liability as part-time students for breaching an agreement by leaving VA employment. The current statute clearly limits liability to part-time student status participants who leave VA employment prior to completion of their education program. This allows a scholarship participant who meets the definition of full-time student to leave VA employment prior to completion of the education program, breaching the agreement with no liability. This proposal would require liability for breaching the agreement by leaving VA employment for both full- and part-time students. All other employee recruitment/retention incentive programs have a service obligation and liability component. This proposal would result in cost savings for the Department by recovering the education funds provided to employees who leave VA employment prior to fulfilling their agreement.

VA Payment for Medical Foster Homes (MFHs): Legislation will be proposed to give VA authority to pay for Veterans' care (room, board and caregiver services) in VA-approved MFHs. For Veterans who would otherwise need nursing home care, MFHs provide care in a private home at much lower cost than nursing home care. MFHs have already proven to be safe, preferable to Veterans, and highly Veteran-centric, at less than half the cost to VA as care in a nursing home. Currently, all Veterans in VA's MFH

program must pay for MFH, as VA does not have authority to pay. Under this proposal, VA payment for MFH would be exclusively for Veterans who would otherwise need nursing home care, while assisted living by most definitions and in most states routinely excludes individuals who would otherwise need nursing home level of care. Authorizing VA to pay for care in certain MFHs would result in more Veterans receiving long-term care in a preferred setting, with substantial reductions in cost to VA.

Smoke-Free Environment: Legislation will be proposed to reverse the requirement in P.L. 102-585, section 526 for designated smoking areas at VA facilities. It would eliminate all smoking on the grounds of all VA health care facilities to make them completely smoke-free. Currently P.L. 102-585, section 526, enacted in 1992, requires VHA to provide suitable smoking areas, either an indoor area or detached building, for patients or residents who desire to smoke tobacco products. Currently, there are approximately 3,800 facilities in the United States that have adopted 100 percent smoke-free policies that extend to all their facilities, grounds, and office buildings. For example, as of January 1, 2015, there are over 3,822 local and/or state/territory/commonwealth hospitals, healthcare systems and clinics and four national healthcare systems (Kaiser Permanente, Mayo Clinic, SSM Health Care, and CIGNA Corporation) in the United States that have adopted 100 percent smoke-free policies that extend to all their facilities, grounds, and office buildings. Numerous Department of Defense medical treatment facilities have become tobacco-free as well. VHA health care providers and visitors do not have the same level of protection from the hazardous effects of second-hand smoke exposures as do patients and employees in these other systems. Currently, approximately 20 percent of Veterans enrolled in VA health care are smokers. Many of the non-smokers are also older Veterans who may be at higher risk for cardiac or other conditions that may make them even more vulnerable to the cardiovascular events associated with secondhand smoke. As with patients of other health care systems, Veteran patients have a right to be protected from secondhand smoke exposures when seeking health care at a VA facility. For Veterans who are inpatients, nicotine replacement therapy is currently available so they would not have to experience nicotine withdrawal during hospital admissions.

Expand VA's Income Verification Matching Authority: This proposed legislation would amend 38 U.S.C. § 5317 to expand VA's IVM authority allowing VA to verify the self-reported incomes of service-connected Veterans in Enrollment Priority Groups two and three, whom are requesting, based on income, Beneficiary Travel (BT) program transportation related reimbursement benefits and/or a medication copayment exemption. VA currently has authority to verify non-service-connected Veterans' incomes by matching income data reported by these Veterans with the Internal Revenue Service (IRS). As a result, VA is at risk for possible non-collection of legislatively required medication copayments as well as improper BT payments identified during the annual Improper Payments Elimination and Recovery Act (IPERA). Since 2003, VHA's Income Verification Division (IVD) has been verifying Veteran beneficiaries' income to minimize improper payments. IVD meets with the IRS to ensure VHA adheres to security standards required for the protection of Federal Tax Information (FTI). Every three years, IRS conducts onsite visits ensuring VHA adheres to these security standards. VHA also provides IRS an annual Safeguard Security Report (SSR), which provides an update on

VHA's ability to meet FTI security standards. This expanded authority would allow VA to potentially reduce the volume of improper payments related to the BT program. Since IPERA requires agencies to improve the quality of oversight for high-dollar, high-risk programs, and mandates that agencies share data regarding recipient eligibility and payment amounts, this expanded authority is required in order to comply with IPERA.

The 16 following legislative proposals have no impact on the budget appropriation levels requested in FY 2017 and 2018:

Extend VA Authority to Recover from Third Party Health Insurance Plans for the Treatment of Non-Service Connected Conditions of Service Connected Veterans:

This proposed legislation would amend 38 U.S.C. § 1729(a)(2)(E) to make permanent VA authority to recover or collect reasonable charges for care or services for care of non-service connected conditions from a third party to the extent that the Veteran who has a service connected disability would be eligible to receive payment for care or services from a third party if the care or service were not provided by VA. This current authority expires October 1, 2016. Clarification of VA's collection authority is needed to maintain VA's ability to recoup reasonable charges from health insurers and other third parties. Anticipated revenue from this proposal is included in the base budget.

Extend VA Authority to Collect Per Diem Payments from Certain Veterans Required to Make Such Copayments for Hospital Care:

This proposed legislation would amend 38 U.S.C. § 1710(f)(2)(B) to make permanent the VA authority to collect an amount equal to \$10 for every day the Veteran receives hospital care for a Veteran who is required to agree to pay to the United States the applicable amount determined under paragraph (2) or (4) or this subsection. This current authority expires September 30, 2016. In the case of a Veteran covered by this subsection who is also described by 38 U.S.C. § 1705(a)(7), the amount for which the Veteran shall be liable to the United States for hospital care under this subsection shall be an amount equal to 20 percent of the total amount for which the Veteran would otherwise be liable for such care. It is proposed to strike the provision under 38 U.S.C. § 1710(f)(2)(B) which requires these certain Veterans to pay \$5 for every day the Veteran receives nursing home care. This requirement was stopped due to P.L. 106-117 mandating the establishment of copayments for Extended Care Services. VA and VHA support services (e.g., contracting, human resources, and information technology) will be aligned and coordinated in ways to ensure agile responses to Veterans Integrated Service Networks (VISN)/program needs related to health care. Anticipated revenue from this proposal is included in the base budget.

Expand Advance Appropriation Authority to the New Medical Community Care Account:

The Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 (P.L. 114-41) directed VA to include a discretionary appropriations account that included the medical funding for hospital care and medical services furnished at non-Department facilities. Previously, these costs had been paid out of the Medical Services account. The Budget identifies amounts from the enacted FY 2017 advance appropriation to be transferred into this new account, and requests new resources for this account in the

2018 advance appropriation request submitted with the 2017 Budget. This proposal would amend authorities at 38 U.S.C. 117 and 31 U.S.C. 1105 to include Medical Community Care in the list of VA medical care accounts for which the Department can receive advance appropriations.

VA Telehealth National Expansion: The proposed legislation would amend chapter 17 of title 38, U.S.C., to add after section 1730A a new section 1730B, which would authorize a “covered health care professional” to deliver care via telemedicine to any VA patient or beneficiary using telecommunications technology and information technology, regardless of the location of the patient or provider. To qualify as a covered health care professional, a VA employee or contract provider must be authorized under chapter 17 to provide health care and be licensed to practice the health care profession in any State, territory, commonwealth, or the District of Columbia. New section 1730B would provide that neither the covered health care professional nor the patient need to be physically present at a VA site during the provision of VA telemedicine services.

Amendments to Domiciliary Care Statutes: The proposed legislation would amend 38 U.S.C. § 2043 to remove the numerical limit on the number of Domiciliary Care programs and authorize the Secretary of Veterans Affairs to establish programs based on Veteran need, workload projections, and funding availability. In 2001, VA operated DCHV programs at 35 sites and as of 2014, operates 48 DCHV programs with two additional programs under development. VA has essentially exhausted its authority to establish additional DCHV programs and there is a pressing need to expand the number of locations for these residential services for homeless Veterans. In order to fully address Veterans’ emergent mental health needs and accomplish VA’s goal of preventing and ending homelessness, VA must have the flexibility to assess Veteran and geographic need when planning and implementing domiciliary facilities throughout the Nation.

Amend Statutory Requirements for the Readjustment Counseling Service Chief Officer Position: The proposed legislation would modify 38 U.S.C. § 7309 to remove the requirements for the Chief Officer of the Readjustment Counseling Service (RCS) to have at least three years of experience in providing and administering direct counseling services or outreach service that is specifically within RCS. This will expand the pool of applicants for the RCS Chief Officer position, which has been vacant since 2012 when the Chief Officer retired. This legislation can be accomplished by adding the following language - Section 7309(b)(2) is amended by (1) Removing paragraphs (B) and (C), and (2) Redesignating paragraphs (D) and (E) as (B) and (C), respectively.

Supportive Services for Very Low-Income Veterans’ Families: This proposed legislation would extend the authority for the Supportive Services for Veterans Families (SSVF) program which is found at Section 604 of the Veterans’ Mental Health and Other Care Improvements Act of 2008, Public Law 110-387, codified at 38 U.S.C. § 2044. The SSVF Program is critical in preventing future episodes of homelessness and is the only VA homeless program that is national in scope that can provide direct services to both Veterans and their family members (including the provision of child care). Recent Community Homelessness Assessment, Local Education and Networking Groups

(CHALENG) reports indicate that homeless and formerly homeless Veterans consider family concerns as their highest unmet need. Since the SSVF Program is one of the cornerstones of VA's Plan to End Homelessness among Veterans, it is critical that the SSVF Program appropriation authorization be increased to allow for funding in FY 2017 and beyond. This legislation can be accomplished by adding the following language - Section 2044(e)(1) is amended by adding after subparagraph (E): "(F) Such sums as may be necessary for fiscal year 2017, and thereafter." Section 2044 (e)(3) is amended to read "From amounts appropriated to the Department for Medical Services, there shall be authorized \$2,000,000 for each fiscal year to carry out the provisions of subsection (d)."

Services for Severely Mentally Ill Veterans, Including Homeless Veterans: This proposed legislation would extend VA's current statutory authority in Title 38 USC § 2031 for the services provided through the Health Care for Homeless Veterans (HCHV) Program. The HCHV program is an essential and critical part of VHA, providing an entry portal to VA and community-based supportive services for eligible Veterans who are homeless. HCHV programs provide outreach services; care, treatment, and rehabilitative services, including case management services; and therapeutic transitional housing assistance. This legislation can be accomplished by adding the following language - Section 2031 is amended in subsection (b) by striking "September 30, 2016" and inserting "September 30, 2017".

Community Partnered Collaboration to Expand Dental Care for Veterans: This proposed legislation would permit VA employees to provide administrative support for the provision of dental care to Veterans that are not otherwise eligible for dental care as defined under 38 U.S.C. §§ 1710(c) and 1712, and 38 C.F.R. §§17.160 through 17.166. The provision would authorize VA staff, in the scope of their normal duties, to refer Veterans ineligible for dental care to specific community dental provider volunteers that are accepted by the American Dental Association. The change to 38 U.S.C. § 523 would expand upon the current authority to allow VHA staff to provide support to a non-VA program conducted by private entities at the State and local level. This legislation can be accomplished by adding the following language - Section 1712 is amended: (a) by redesignating subsection (d) as subsection (e); (b) by redesignating subsection (e) as subsection (f); (c) by inserting after subsection (c) the following new subsection (d): "(d) The Secretary may provide administrative support for the provision of dental care to Veterans through collaborations with community partners approved by the Secretary."

Extend Program on Provision of Dental Insurance Plans to Veterans and Survivors and Dependents of Veterans: This proposed legislation would extend the pilot program, VA Dental Insurance Program (VADIP), which was initially implemented on November 15, 2013 through Section 510 of Public Law 111-163, Caregivers and Veterans Omnibus Health Services Act of 2010. The VADIP program offered enrolled Veterans and beneficiaries of VA's Civilian Health and Medical Program (CHAMPVA) the opportunity to purchase dental insurance at a reduced cost. Each participant paid a fixed monthly premium for coverage, in addition to any copayments required by his or her plan. Through the pilot, over 75,000 Veterans and CHAMPVA beneficiaries purchased plans as of December 31, 2014. In the 4th quarter of calendar year (CY) 2014, VA conducted survey

of Veterans who have purchased and utilized the insurance plans, and over 92 percent say they will renew and recommend the program to other Veterans, indicating strong overall satisfaction with the program. Providing Veterans, their families, and beneficiaries an opportunity to purchase dental insurance that contains coverage and quality defined by the VA Office of Dentistry, at discounted rates is one step in improving the overall health of the Veteran population.

Additional Services for Veterans with Severe Mental Illness: This proposed legislation would provide a five year extension for authority at 38 U.S.C. § 2033. This legislation supports VA's efforts in eliminating and preventing homelessness among Veterans. Title 38 U.S.C. § 2033 authorizes VA, subject to appropriations, to operate a program to expand and improve the provision of benefits and services to homeless Veterans. The program includes establishing sites under VA jurisdiction to be centers for the provision of comprehensive services to homeless veterans in at least each of the 20 largest metropolitan statistical areas. This authority has been extended several times since November 21, 1997. This legislation can be accomplished by rewriting section 2033(d) to read "The authority of the Secretary under subsection (d) expires on September 30, 2021."

Advisory Committee on Homeless Veterans: This proposed legislation would extend current authority to authorize continuation of the Advisory Committee on Homeless Veterans which was established by 38 U.S.C. § 2066(d). If the authority is extended, the Committee would continue to provide valuable advice to the Secretary on the provision of benefits and services to Veterans who are at risk of homelessness or become homeless. VHA is projecting no additional costs associated with this provision as it only modifies the statute to authorize continuation of the committee through December 31, 2017. This legislation could be accomplished through the following: Section 2066(d) is amended by striking "December 31, 2016" and inserting "December 31, 2017".

Amend Requirements for the Readjustment Counseling Service Congressionally Mandated Report: This proposed legislation would modify 38 U.S.C. § 7309(e) to change the timeframe of the requirement to report on the activities of the Readjustment Counseling Service during the preceding calendar year from calendar to fiscal year. This will ensure better consistency in reporting because all the necessary data and other RCS reports are measured across the fiscal year rather than the calendar year. All data reporting in RCS, which includes the vast number of reports generated in the Vet Centers across the country, is in terms of fiscal year activity. Realigning that data to reflect calendar year data for the Congressionally Mandated Report is not an efficient use of time, nor does it represent a consistent picture when aligned with other RCS goals and budgets, which are in fiscal year format. Because VHA as a whole plans, budgets and collects and reports data primarily in fiscal year format, this change will also more closely align RCS with the rest of the Administration. This legislation could be accomplished as follows: Section 7309(e)(1) is amended by replacing "calendar year" with "fiscal year".

Clarify Veterans' Preference Rules for Title 38 Hybrid Employees: This proposed legislation would modify 38 U.S.C. § 7403(f) to state that title 5 Veterans' preference rules do not apply to title 38 hybrid excepted service appointments in occupations

identified in 38 U.S.C § 7401(3) or approved for hybrid status by VA. This legislative change will clarify that although VA is not required to follow title 5 Veterans' preference rules when making appointments to title 38 hybrid occupations, VA shall use title 5 Veterans' preference rules as a deciding factor when two applicants are equally qualified. This legislation could be accomplished as follows: Section 7403 is amended by – (a) in subparagraph (f)(1)(A), by striking "(subject to paragraph 2)" and inserting "without regard to civil service requirements except as specified in paragraph (2)" after "of this title". (b) In subparagraph (f)(2), by adding "only as a deciding factor in instances where two applicants are equally qualified for the same position " at the end of the subparagraph. (c) In subparagraph (f)(3), by adding "but are not subject to review or interpretation by the Merit Systems Protection Board' at the end of the subparagraph."

Modification of Qualifications for Peer Specialist: This proposed legislation is to modify the health conditions qualifications for peer specialists established in Public Law 110-387, Section 405, that added the position of "Peer Specialist" to 38 U.S.C. § 7402 - Qualifications of appointees. This change will provide Veterans receiving care for non-mental health conditions the same kind of support and advocacy that Veterans who have mental health conditions are currently receiving from the highly acclaimed and effective peer specialists in Veterans Health Administration's (VHA) mental health programs. The existing law limits VHA's ability to provide peer support for Veterans in non-mental health programs (e.g., those with spinal cord injuries, amputations, traumatic brain injuries, or prolonged conditions like diabetes or chronic pain). It will allow for the expansion of peer support to Veterans with a multitude of physical chronic diseases, injuries, and medical conditions. This legislation can be accomplished by the following - Section 7402(b)(13) is modified as follows: (a) In paragraph (A), adding "to work in a mental health setting" after the words "a mental health condition". (b) In paragraph (B)(ii), replacing the "." at the end with "; or". (c) Adding a new paragraph (C) at the end, "(C) (i) be a veteran who has recovered or is recovering from a chronic physical health condition, disease or injury; and "(ii) be trained in chronic disease self-management, motivational interviewing and any other training as the Secretary may establish for a peer specialist position."

Expanded Authority to Hire Licensed Professional Mental Health Counselors (LPMHC): This proposed legislation seeks to recommend that the existing legislative language from 38 U.S.C. § 7402(b)(11) be changed to state: "Hold a master's degree or equivalent in mental health counseling, or a related field, from a college or university approved by the Secretary." This is requested to allow a doctoral degree in licensed professional mental health counseling to be considered equivalent to a master's degree. Currently individuals who hold doctoral degrees (but not a master's degree) as a LPMHC are not eligible for VA hire as an LPMHC based on this legislation which may limit the number of qualified LPMHC applicants. Expanding the legislation to include the doctoral degree be considered as an equivalent will increase the number of individuals with degrees in licensed professional mental health counseling who may be eligible for VA hire. This legislation can be accomplished by the following - IN GENERAL.–Subsection (b)(11)(A) of section 7402 of this title is amended by inserting "or equivalent" after "master's degree".

Eliminate Compensation Panels under the Physician and Dentist Pay System: This proposal would modify 38 U.S.C. § 7431 to eliminate the compensation panel recommendation process required under 38 U.S.C. § 7431(c)(4)(B). VA believes the current compensation panel process is time consuming and yields no additional value to other reviews conducted prior to the appointment.

Construction - Proposed Legislation

Authority to Amend the Definition of Medical Facility Allowing VA to Plan, Design, Construct, or Lease Joint VA/DoD Shared Medical Facilities; and to Transfer and Receive Funds for those Purposes: VA will propose legislation that would expand our capacity to do more detailed planning and design, leasing, and construction of joint facilities in an integrated manner. The proposal would allow the Department to transfer and/or receive funds (to/from the Major and Minor Construction appropriations) to/from another Federal agency for use in the planning, design, and/or construction of a medical facility that would be shared with another Federal agency (for example, the Department of Defense). It would also allow the transfer and/or receipt of funds (to/from the Medical Facilities appropriation) to/from other Federal agencies for the purpose of leasing space for a shared medical facility, after section 8104 authorization requirements have been met. In order to foster collaboration, VA will also request to amend the definition of a “medical facility” to include any facility or part thereof which is, or will be, under the jurisdiction of the Secretary, or as otherwise authorized by law, for the provision of health-care services. This change would allow VA to build extra capacity into its construction projects to meet the needs of other Federal agencies, including DoD.

Compensation and Pensions - Proposed Legislation

Increase Monetary Burial Benefit Allowances According to Increases in the Consumer Price Index: Legislation is proposed to amend 38 U.S.C. § 2302 and § 2307 to authorize annual burial benefit increases based upon Consumer Price Index increases. Under the current authorities, VA may only pay a sum not exceeding \$300 under section 2302, or \$2000 under section 2307, to such person as described in the statute. This proposal will give VA the authority to pay burial benefit allowances that will provide Veterans the dignified burial they deserve by increasing monetary burial benefit allowances according to increases in the Consumer Price Index. Benefit costs to the Compensation and Pensions account are estimated to be \$471 thousand in 2017, \$1.9 million in 2018, \$17.5 million for five years, and \$83.8 million over ten years.

Remove Annual Income from Net-Worth Calculation: VA seeks to amend 38 U.S.C. §§ 1522 and 1543 to remove the requirement that VA consider annual income in its net-worth determination. VA’s intent with this proposal is to allow more fair and consistent net-worth calculations and to promote pension automation with respect to net worth calculations. Removing income as part of net worth will provide the Veteran or survivor a

clear and predictable method for determining net worth, as well as allow VA to establish procedures that will ensure more consistency and accuracy in determining eligibility. VA would still consider a claimant's annual income to determine entitlement to pension benefits. By removing this factor from net-worth calculations, VA would simplify the pension program and provide better clarity to both beneficiaries and VA claims processors. Benefit costs are estimated to be \$45 thousand during in 2017, \$97 thousand in 2018, \$832 thousand over five years, and \$3.8 million over ten years.

• **Discontinue the Appointment of a Temporary Fiduciary in Certain Cases:** This proposal would amend 38 U.S.C. § 5507(d) to remove provisions pertaining to the appointment of temporary fiduciaries in certain cases and remove the 120-day limit a temporary fiduciary may serve. Based upon VA's experience in administering the fiduciary program, temporary appointments are disruptive for beneficiaries in the program and redirect limited fiduciary program resources to successor appointments. It would be less burdensome to appoint a fiduciary without limiting such appointments to 120 days. There are no benefit costs associated with this proposal.

Allow VA Contractors and Vendors Access to Tax Returns and Return Information Lawfully Disclosed to VA: The Department of Veterans Affairs (VA) seeks to amend 26 U.S.C. § 6103(l)(7)(A) and (B) in order to allow VA contractors and vendors access to tax returns and return information lawfully disclosed to VA, for purposes of determining entitlement to VA benefits. The amendment would authorize the Secretary of the Department of the Treasury to permit VA to disclose such information to its contractors, for the purposes of developing and maintaining its information technology systems. It would also authorize the Secretary of the Department of the Treasury to permit VA to disclose such information to its vendors, for the purposes of administering needs-based pension provided under chapter 15 of title 38, United States Code, parents' dependency and indemnity compensation provided under section 1315 of title 38, United States Code, and compensation paid under chapter 11 of title 38, United States Code. There are no benefits costs associated with this proposal.

Allow VA to Pay a Flat Rate for Non-Service-Connected Burial for Veterans who Die in a VA Facility: The Department of Veterans Affairs (VA) seeks to amend 38 U.S.C. § 2303(a)(1) to authorize payment of a flat-rate, non-service-connected, burial allowance for Veterans who die in a VA facility. Currently, if a Veteran dies as a result of a non-service-connected condition in a VA facility that provided his or her hospital, nursing home, or domiciliary care, section 2303(a)(1) requires that VA reimburse the "actual cost" of the Veteran's funeral and burial expenses, not to exceed the \$700 statutory maximum allowance. This amendment would be consistent with other provisions governing monetary burial benefits in 38 U.S.C. chapter 23, which establish maximum benefit amounts but do not prescribe reimbursement of the "actual cost" of a Veteran's burial and funeral. Moreover, consistent with VA's administration of all other burial allowances, this amendment would allow VA to expedite delivery of benefits to surviving spouses. VA currently pays the statutory maximum allowance for 91 percent of claims for Veterans who die in a VA facility because actual expenses met or exceeded the maximum rate. In addition, VA's baseline budget assumes the maximum statutory rate will be paid

to the entire caseload. For this reason, VA would not require additional funding for this proposal.

Revise the Privacy Act to Extend the Length of Computer Matching Agreements (CMA): The Department of Veterans Affairs (VA) seeks to amend 5 U.S.C. § 552a(o)(2)(C) and (D) in order to extend the timeframes in which computer matching agreements are in effect and to align those timeframes with those found in the Improper Payments Elimination and Recovery Improvement Act (IPERIA). There are no benefits costs associated with this proposal.

Authorize VA to Rely on Unearned and Earned Income Information Supplied by the Internal Revenue Service (IRS) and the Social Security Administration (SSA) for Purposes of Determining Eligibility for its Needs-Based Pension Program, and Eliminate the Need for VA to Independently Verify the Information: VA seeks to amend 38 U.S.C. § 5317(b) and (e), to authorize VA to rely on information it obtains from the IRS and SSA when making initial pension eligibility determinations and remove the requirement that VA independently verify the information before terminating, denying, suspending, or reducing a claimant's or beneficiary's needs-based pension benefits. Under current section 5317(b) and (e), VA cannot use the income information provided by IRS and SSA for this purpose without first taking steps to independently verify the information. This amendment would simplify the application process, reduce the burden on claimants, and permit VA to move closer to its goal of automating pension processing. No benefit costs are associated with this proposal.

Clarify Evidentiary Threshold at Which VA is Required to Provide a Medical Examination: This proposal seeks to amend 38 U.S.C. § 5103A(d) to clarify the evidentiary threshold for which VA, under its duty to assist obligation, is required to request a medical examination for compensation claims. This amendment would clarify section 5103A(d)(2) to require, prior to providing a medical exam, the existence of objective evidence establishing that the Veteran experienced an event, injury, or disease during military service. VA would still consider lay evidence as sufficient to show a current disability or persistent symptoms of a disability. However, except in special circumstances, objective evidence such as medical records, service records, accident reports, etc., must also be of record to trigger an exam. Benefit savings to the Compensation and Pensions account are estimated to be \$120.1 million in 2017, \$124.9 million in 2018, \$650.3 million over 5 years and \$1.4 billion over 10 years.

Eliminate Reductions of Special Monthly Compensation for Hospitalized Veterans: VA seeks to amend 38 U.S.C. § 5503(c) to eliminate reductions of compensation for Veterans receiving an aid and attendance allowance who are hospitalized at VA expense. Currently, the law requires VA to reduce payments to certain Veterans receiving special monthly compensation while they are hospitalized at the Government's expense. To prevent duplication of VA benefits, VA currently discontinues the aid and attendance portion of these awards effective the last day of the month following the month of admission for as long as hospitalization continues. This proposal seeks to repeal 38 U.S.C. § 5503(c), so VA no longer reduces the compensation it pays to Veterans who

require the aid and attendance of another person even while they are hospitalized at VA expense. Benefit costs to the Compensation and Pensions account are estimated to be \$795 thousand in 2017, \$813 thousand in 2018, \$4.2 million for five years, and \$8.8 million over ten years.

Restoring the Eligibility of Certain Veterans for an Aid and Attendance Allowance:

VA seeks a technical amendment to 38 U.S.C. § 1114(r) in order to restore eligibility for an additional aid and attendance allowance for certain Veterans receiving a high level of Special Monthly Compensation (SMC). Veterans at these specific levels of SMC were initially entitled to consideration for the maximum level of SMC when it was created by Congress, but due to legislative increases in compensation rates over a period of time, they are no longer eligible for entitlement to the maximum level of SMC. This amendment would not automatically result in an increase in payment rates for these levels of SMC but would allow a Veteran at these levels to be considered for the maximum level of SMC. Benefit costs to the Compensation and Pensions account are estimated to be \$2.2 million in 2017, \$2.3 million in 2018, \$12.1 million for five years, and \$27.3 million over ten years.

Round-Down of the Computation of the Cost of Living Adjustment (COLA) for Service-Connected Compensation and Dependency and Indemnity Compensation (DIC) for Five Years:

This proposal would amend title 38, U.S. Code (USC), sections 1303(a) and 1104(a) to provide a five-year round-down provision of the computation of the cost of living adjustment (COLA) for service-connected compensation and dependency and indemnity compensation (DIC). Public Law 108-183 extended the ending date of this provision to 2013, but the provision has now expired. The COLA round down provision for five years, beginning in 2017, results in cost savings. Benefit savings to the Compensation and Pensions account are estimated to be \$21.5 million in 2017, \$63.5 million in 2018, and \$599.3 million for five years. This proposal reinstates the round down for five years; the cumulative effect of rounding down COLA's for five years will total \$2.0 billion in savings over ten years.

Reissue VA Benefit Payments to all Victims of Fiduciary Misuse: This proposal seeks to amend 38 U.S.C. § 6107, which authorizes VA to reissue benefits to a beneficiary if the beneficiary's VA-appointed fiduciary misuses the beneficiary's benefits. This amendment would extend VA's reissuance authority to allow the reissuance of benefits to a beneficiary in cases of misuse by individual fiduciaries, who manage benefits for less than 10 beneficiaries, without regard to VA negligence in appointing or overseeing such fiduciaries. The amendment would prescribe that VA will pay the beneficiary or the beneficiary's successor fiduciary an amount equal to the amount of the misused benefits in any case in which a fiduciary misuses a beneficiary's VA benefits. Benefit costs are estimated to be \$2.0 million in 2017, \$2.0 million in 2018, \$10.0 million over 5 years, and \$20.0 million over 10 years.

Streamlining VA's Duty to Assist in Obtaining Evidence in Claims for Increased Evaluation: VA seeks to amend 38 U.S.C. § 5103A to streamline VA's duty to assist in obtaining evidence necessary to substantiate a claim for increased evaluation of a service-

connected disability. Currently, VA is required to assist a claimant in obtaining all relevant private and Federal records identified by the claimant, as well as to provide a medical examination if necessary. This proposal would make an exception in 38 U.S.C. § 5103A(b) to VA's duty to assist in obtaining private records. Veterans already in receipt of compensation benefits and claiming an increased evaluation would be required to submit any private records they wish VA to consider at the time they submit claims for increased evaluations. This proposal would help VA expedite claims for increased evaluation and significantly improve overall wait times for decisions. No benefit costs are associated with this proposal.

Eliminate Certain Apportionments of Compensation, Pension, or Vocational Rehabilitation and Employment Benefits to a Veteran's Spouse or Child: VA seeks to repeal 38 U.S.C. § 5307(a)(1) and (2) and (c). Subsection (a)(1) provides that a Veteran's benefit payment may be apportioned to the Veteran's spouse, child, or dependent parent when the Veteran is being furnished hospital treatment, institutional, or domiciliary care by the United States. Subsection (a)(2) provides that all or part of a Veteran's compensation or pension may be apportioned to a Veteran's spouse or child as prescribed by the Secretary when the spouse does not live with the Veteran, or the child(ren) are not in the custody of the Veteran. Subsection (c) provides that all or part the subsistence allowance payable to a Veteran under chapter 31 may be apportioned to a Veteran's spouse or child as prescribed by the Secretary when the spouse does not live with the Veteran, or the child(ren) are not in the custody of the Veteran. No benefit costs are associated with this proposal.

Eliminate Direct Payment of Fees from VA to Accredited Agents and Attorneys: This proposal seeks to delete 38 U.S.C. § 5904(d) to eliminate VA authority to make direct payments of fees to agents or attorneys. An agent or attorney representing a claimant may receive fees directly from VA if a direct-pay fee agreement has been filed with VA and meets certain requirements. The amount specified in the agreement is then paid directly to the agent or attorney from any past-due benefits awarded on the basis of the claim. Although direct payments ensure agents and attorneys receive funds that have been agreed upon by their clients, the function itself is not aligned with VA's primary mission to serve Veterans and their family members. No benefits costs are associated with this proposal.

Extension of Contract Physicians Medical Disability Examinations: This proposal seeks to amend Public Law 108-183 by amending section 704(c) to provide a five-year extension of the authority to contract out medical disability examinations. The Veterans Benefits Act of 2003 (Public Law 108-183, Section 704) authorizes physicians not employed by VA to provide examinations with respect to medical disability to applicants for compensation and pension benefits. These examinations are funded through discretionary funds, and there is no limitation to the number of VA regional offices involved. This authority was last extended by Public Law 114-58, section 409, and now expires December 31, 2016. There are no benefits costs associated with this proposal.

Extend the authority for operations of the Manila VA Regional Office (RO): This proposal would extend the authority currently provided by 38 USC 315(b) to maintain the operations of the Manila RO from September 30, 2016, to September 30, 2019. There are no benefit costs or savings associated with this proposal.

Extend the Time for Medical Examinations for Certain Veterans with Mental Disorders: This legislative proposal would amend title 38 U.S.C. § 1156(a)(3) to require VA to schedule a medical examination for Veterans discharged from the military due to a mental disorder no later than 18 months (rather than 6 months) after separation or discharge of such Veteran from active duty. Currently, VA is required to assign a temporary rating to a Veteran who, as a result of a highly stressful in-service event, has a mental disorder that is severe enough to bring about the Veteran's discharge or release from active duty. Section 1156(a)(3) states that VA shall schedule a medical examination for such Veteran not later than six months after the separation or discharge of such veteran from active duty. Evaluating mental disorders to determine if the condition is stable at 6 months after discharge is premature when considering the trauma experienced by the Veteran, the limited treatment time that has elapsed, and the stressful nature of transitioning into civilian life. Performing the examination no later than 18 months after discharge allows the clinician to more accurately evaluate the severity, stability, and prognosis of the condition. No benefit costs are associated with this proposal.

Attendance at Transition Assistant Program (TAP) Training or Access to eBenefits Meets the Requirements to Notify Veterans by Letter of VA Benefits and Services: This proposal would amend 38 U.S.C. § 6303(b) to authorize VA to use TAP and eBenefits to notify each transitioning Veteran of all VA benefits and services for which they may be eligible. Currently, the statute requires VA to send each Veteran a letter with benefits information. For those Veterans discharged or separated without a high-school diploma, this proposal would also eliminate the requirement for VA to make in-person or telephone contact regarding their eligibility for benefits, except in instances where they did not attend a TAP briefing or were not receiving information through eBenefits. No benefit costs are associated with this proposal

Elimination of Payment of Benefits to the Estates of Deceased Nehmer Class Members and to the Survivors of Certain Class Members: VA seeks to amend 38 U.S.C. § 1116 to eliminate payment of benefits to the estates of deceased Nehmer class members and to survivors of certain class members when such benefits are the result of presumptions of service connection established pursuant to § 1116 for diseases associated with exposure to certain herbicide agents. Paying benefits to an estate conflicts with 38 U.S.C. § 5121(a) and undermines Congress' intent that VA pay the accrued benefits of a deceased Veteran's benefits to the "Veteran's" surviving spouse, child, or dependent parent. See 38 U.S.C. § 5121(a)(2). VA therefore proposes to add a subsection to 38 U.S.C. § 1116 stating that accrued benefits that are due based upon herbicide presumptions must be paid in the same manner as all other accrued benefits under 38 U.S.C. § 5121(a). VA cannot predict any future costs or savings associated with this proposal because it is not possible to predict if additional presumptive conditions will be added and paid as service-connected disabilities.

Revision of Time Limits and Effective Dates for Herbicide Presumptions: This proposal would amend 38 U.S.C. § 1116 to provide extended time limits for VA to take action based on reports received from the Institute of Medicine of the National Academy of Sciences (IOM) concerning the health effects of herbicide exposure. The current time limits afforded under sections 1116 have proven impractical in view of the complexity of the issues, the need for thorough and fully informed review of the evidence, and the requirements of the rule-making process. No benefit costs are associated with this proposal.

Extend the Statutory Marriage Delimiting Date for Surviving Spouses of Gulf War Veterans: VA seeks to update the statutory marriage delimiting date in 38 U.S.C. § 1541(f)(1)(E) for surviving spouses of Gulf War Veterans for purposes of determining entitlement to death pension. VA proposes to replace the current date, January 1, 2001, with a date 10 years and one day following the prescribed end of the Gulf War. Because the Gulf War period, which began on August 2, 1990 (38 U.S.C. § 101 (33)), is ongoing and will terminate on a future date as determined by Presidential proclamation or a law enacted by Congress, the current delimiting date must be extended. No benefit costs are associated with this proposal.

Permit VA to Adjudicate and Pay Claims for Survivors Benefits without the Need for the Filing of a Formal Claim: VA seeks to amend 38 U.S.C. § 5101, which requires claimants to file a claim in order for VA to pay benefits to any individual under the laws administered by the Secretary of Veterans Affairs. Although section 5101 currently requires claimants to file a form as a condition of receiving VA benefits, VA seeks authority to initiate and pay a survivor's "claim" without receipt of a formal application whenever sufficient evidence is of record to begin processing such claim. Legislation to allow VA to pay survivors benefits without the need for a formal application in and of itself would not increase mandatory costs. This change is essential to automating payments of certain survivor benefits.

Exemption to the Right to the Financial Privacy Act by Fiduciaries of VA Beneficiaries: VA is seeking to add a new subsection to 38 U.S.C. § 5502, which contains VA's authority to oversee and monitor the activities of fiduciaries. This new subsection will authorize an exemption to the Right to Financial Privacy Act (12 U.S.C. § 3401), so that VA will have enhanced access to financial accounts held by all fiduciaries of VA beneficiaries. The language of the new subsection would stipulate the Secretary of VA shall require each fiduciary of a VA beneficiary to provide VA with a one-time authorization to obtain from any financial institution any financial record held by the institution with respect to the VA beneficiary whenever the Secretary determines the record is needed in connection with oversight of the activities of a fiduciary, as required by 38 U.S.C. § 5502. No benefit costs are associated with this proposal.

Burial - Proposed Legislation

Expand Authority to Provide Headstones and Markers to Eligible Spouses and Dependents at Tribal Veterans Cemeteries: This proposal would amend title 38, United States Code (U.S.C.), Section 2306, to provide eligibility for headstones and markers for burial and memorialization of Veterans' eligible spouses and dependent children interred at Tribal Veterans cemeteries. Benefit costs are estimated to be \$46 thousand in 2017, \$385 thousand over 5 years, and \$890 thousand over 10 years.

Provide a Casket and Urn Benefit for the Unclaimed Remains of Eligible Veterans Buried in a State or Tribal Veterans Cemetery: Currently, title 38, United States Code (U.S.C.) Section 2306(f) authorizes VA to provide caskets and urns for burial of the remains of eligible Veterans in a VA national cemetery if the Veterans have no known next of kin and insufficient resources to purchase a burial receptacle. This proposal would amend title 38 to allow VA to also provide a casket or urn if burial takes place in a State or Tribal Veterans cemetery. There are no benefit costs or savings associated with this proposal.

Expand VA's Authority to Provide an Allowance to Transport Certain Deceased Veterans to a State or Tribal Veterans Cemetery: This proposal would amend title 38, United States Code (U.S.C.), Section 2308, to expand VA's current authority to pay the cost of transporting the remains of certain deceased Veterans to the closest National cemetery for burial to include transportation for burials in a State or Tribal Veterans Cemetery. There are no benefit costs or savings associated with this proposal.

Allow for the Provision of Government-Furnished Headstones and Markers for the Privately Marked Graves of Medal of Honor Recipients: This proposal would amend title 38, United States Code (U.S.C.), Section 2306(d), to allow VA to furnish headstones or markers for the privately marked graves of all eligible Medal of Honor recipients. Costs associated with this proposal are insignificant.

Expand VA Authority to Provide Outer Burial Receptacles to State and Tribal Cemeteries: This proposal would amend title 38, United States Code (U.S.C.), Section 2306(e), to direct VA to provide an outer burial receptacle for each new casketed gravesite in a State or Tribal Veterans cemetery that receives a grant from the VA Veterans Cemetery Grants Program, as well as in new VCGP establishment projects. Benefit costs are estimated to be \$1.9 million in 2017, \$11.8 million over 5 years, and \$28.3 million over 10 years.

Expansion of Eligibility for Medallion or Other Device to Signify Status as Deceased Veteran: This proposal would amend title 38, U.S.C. Section 2306 to allow VA to furnish a medallion or other device for individuals who served "on active duty on or after April 6, 1917." A medallion is issued to be affixed to a privately-purchased headstone or marker installed at the grave of an eligible Veteran buried in a private cemetery. Benefit costs are estimated to be \$482 thousand in 2017, \$2.5 million over 5 years, and \$5.2 million over 10 years.

Establish a Consistent Applicability Date for Provision of Memorial Headstones and Markers for Eligible Non-Veteran Individuals: Amend Section 2306(b) of title 38, United States Code (U.S.C.), to establish a consistent applicability date of “after November 11, 1998,” for provision of memorial headstones and markers for all eligible non-Veteran individuals. Costs associated with this proposal are insignificant.

Use of Character of Service Determinations for Active Duty Deaths: This proposal would amend Section 2402(a)(1) of title 38, United States Code (U.S.C.), to require that a Servicemember who dies in active service must have been serving under conditions other than dishonorable to be eligible for burial in a VA National Cemetery. It would also amend title 38, U.S.C. Section 2306(b)(4)(A) and (f)(2) to impose the same requirement for eligibility for a memorial headstone or marker and amend title 38, U.S.C. Section 2301(d) to do the same for a burial flag. Costs associated with this proposal are insignificant.

Burial of Dependents Who Predecease Active Duty Servicemembers: Amend title 38, United States Code (U.S.C.) Sections 2306 and 2402 to authorize VA to inter in a VA national cemetery and mark the gravesite of the spouse and dependent child of a member of the Armed Forces serving on active duty at the time of the spouse’s or child’s death. Currently, spouses and dependent children become eligible for burial if predeceased by the Servicemember. Costs associated with this proposal are insignificant.

Align Eligibility for Burial and Presidential Memorial Certificates for Members of the Reserve Components of the Armed Forces: Amend Section 112(a) of Title 38, United States Code (U.S.C.), to allow the Department of Veterans Affairs (VA) to provide a Presidential Memorial Certificate (PMC) to eligible recipients of the reserve components of the Armed Forces of the United States, Army or Air National Guard, and the Reserve Officers' Training Corps who are eligible for burial in a VA national cemetery. Costs are estimated to be insignificant.

Authorization to Retain and Use Funds from Lease of Air Rights Above National Cemeteries: Amend Section 2412 of Title 38, United States Code (U.S.C.), to authorize VA to lease air space above national cemeteries and to expand the scope of the National Cemetery Administration Facilities Operation Fund to include proceeds from the lease of such air rights. VA also suggests an amendment to Section 2412(c)(1) of Title 38, U.S.C., to update the citation. There are no benefit costs or savings associated with this proposal.

Prohibit Interment of Individuals Who May Have Committed a Tier III Sex Offense Under State Law: This proposal would amend 38 U.S.C. Section 2411 to prohibit interment or memorialization in a national cemetery of a person who may have committed a tier III sex offense under State law but avoided conviction due to death or flight to avoid prosecution. There are no benefit costs or savings associated with this proposal.

Increase to \$10 Million the Annual Statutory Limit on Operation and Maintenance Grants Provided Through VCGP: This proposal would amend 38 U.S.C. Section

2408(e)(2) to increase to \$10 million the annual statutory limit on operation and maintenance grants that the Department of Veterans Affairs (VA) may award to state and tribal Veterans cemeteries. This proposal does not seek an increase in VCGP's annual appropriations and will not result in additional expenditures by the program. Removing the \$5 million cap will allow for greater flexibility in prioritizing and funding the projects identified on the annual Veteran Cemetery Grants Program priority lists. There are no benefit costs or savings associated with this proposal.

Transfer Jurisdiction of Land from Department of Interior to VA for Black Hills National Cemetery and Elko National Veterans Burial Ground: This proposal would authorize the transfer of jurisdiction of land from the Department of the Interior, Bureau of Land Management (BLM), to the Department of Veterans Affairs (VA) for use as a national cemetery under 38 U.S.C. Chapter 24. There is no cost associated with this proposal since it would be a no-cost transfer of land between two Federal agencies. NCA will incur due diligence costs with any acquisition of land whether it is a purchase or a no-cost transfer. However, obtaining the land at no cost from BLM will allow NCA to avoid the potential cost of purchasing privately owned land from other sources. There are no benefit costs or savings associated with this proposal.

Readjustment Benefits – Proposed Legislation

Restore Entitlement when a Program's Approval is Withdrawn and the Withdrawal is Effective During Such a Period of Enrollment: Amend title 38, United States Code (USC), § 3013, 3231, 3312, and 3511 to authorize restoration of entitlement based on the withdrawal of program approval by the Secretary or a State Approving Agency (SAA). Benefits costs are estimated to be \$275 thousand in 2017, \$284 thousand in 2018, \$1.5 million over 5 years and \$3.3 million over 10 years.

Improved Representation of the Veterans' Advisory Committee on Education: Amend title 38 United States Code (USC) § 3692 to alter the required composition of the Veterans' Advisory Committee on Education (VACOE) and remove the statute's references to specific military conflict eras by supplying a more general definition of who may serve. There are no benefit costs or savings due to this proposal.

Sunset the Post-Vietnam Era Veterans' Education Assistance Program (VEAP): Although VEAP will eventually sunset on its own, it is not cost-effective to continue to expend administrative and information technology (IT) resources to administer and maintain this program for the extremely small number of beneficiaries paid in a given year. Usage under VEAP has decreased from 560 beneficiaries in FY 2008 to a mere 4 beneficiaries for FY 2015 through March 31, 2015. Administrative costs include claims processing personnel in VA Regional Processing Offices as well as costs for IT personnel to maintain the VEAP program in the Benefits Delivery Network system. There are no benefit cost or savings associated with this proposal.

Sunset Montgomery GI Bill Active Duty (MGIB-AD): VA propose to Sunset the MGIB-AD (chapter 30) program by amending 38 USC §3001(3) by adding that Servicemembers must have entered active duty prior to August 1, 2017, in order to be eligible for the MGIB-AD program. VA also proposes that benefit eligibility would end for all beneficiaries no later than July 31, 2023. Currently, VA provides educational assistance benefits under the MGIB-AD program and the Post-9/11 GI Bill. Generally, individuals who qualify for both will receive a greater benefit under the Post-9/11 GI Bill. Costs are estimated to be \$167 million over 10 years.

Add Section 1230(4)(b) of Title 10 to the List of Authorities that Qualify as Active Duty for Post-9/11 GI Bill Eligibility: Amend title 38, United States Code (U.S.C.), section 3301(1)(B) to include, in the case of members of the reserve components of the Armed Forces, service on active duty under a call or order to active duty under section 12304b of title 10. Costs are estimated to be \$17.2 million in 2018, \$123.1 million over 5 years and \$340.2 million over 10 years.

Allow for Extension of a Period of Employment Services Under Chapter 31: Amend 38 U.S.C. §3105(b)(1) to allow a period of employment services to be extended for not more than two three-month periods if needed to accomplish rehabilitation. Allowing the extensions will help to ensure that Veterans with service-connected disabilities will receive the services necessary to obtain and maintain suitable employment. Benefit costs are estimated to be \$209 thousand in 2017, \$211 thousand in 2018, \$1.1 million over 5 years and \$2.4 million over 10 years.

Extend the Eligibility Period for VR&E Benefits for Certain Members of the Reserve Component: Amend 38 U.S.C. §3103(f) to afford members of the Reserve Component (RC) who are ordered to active duty under 10 U.S.C. § 12304a and § 12304b the same extension of their eligibility period for vocational rehabilitation benefits as other RCs who are activated. There are minimal costs under this proposal, as nearly all eligible Veterans utilize benefits within their 12-year delimiting date.

Vocational Rehabilitation for Servicemembers: This proposal seeks to eliminate the sunset date in Section 1631(b)(2) of Public Law 110-181 (The National Defense Authorization Act (NDAA) of 2008), as amended by Section 231 of Public Law 112-56 and Section 724 of Public Law 113-291, by amending title 38 § 3102(a). Benefit costs represent a shift in expected obligations over a ten-year period. Costs are estimated to be \$11.3 million in 2017, a savings of \$2.5 million in 2018, costs of \$3.6 million over five years, and a savings of \$316 thousand over 10 years.

Move the Authority for Home Modifications Under a Rehabilitation Program to the Specially Adapted Housing (SAH) Program: Amend chapters 21 and 31 of title 38, U.S.C., so that housing modifications required under a rehabilitation program would be provided as SAH assistance. Savings to the VA are estimated to be \$565 thousand in 2017, \$591 thousand in 2018, \$3.1 million over 5 years, and \$7.0 million over 10 years.

Introduce Statutory Language in 38 U.S.C. Section 3901 to Contemporize Types of Automobile Adaptive Equipment Grants: This proposal would modernize the law, as since it was enacted much more equipment that was optional on automobiles is now standard but alone does not always meet the special needs of disabled Veterans. In addition, the wording of the law creates circumstances where in many instances VHA is called on to provide assistance that is not truly related to addressing issues associated with the Veterans service-connected disability. The revision would require that any prescribed AAE accommodate a compensable disability under Chapter 11 of 38 U.S.C. § 1101 et seq. This new standard would ensure that each piece of prescribed AAE equipment (whether standard or customized) would support the Veteran's service-connected driving needs. Savings associated with the proposal are estimated to be \$2.6 million in 2017, \$2.5 million in 2018, \$11.3 million over five years, and \$18.2 million over 10 years.

Rounding Down of Certain Cost-of-Living Adjustments: Amend title 38 United States Code (U.S.C.), sections 3015(h) and 3564 to extend the sunset date for rounding-down of cost-of-living adjustments on educational assistance programs from September 30, 2015, to September 30, 2020. This proposal would affect payments made under chapter 30 and chapter 35. Savings to VA are estimated to be \$872 thousand in 2017, \$1.2 million in 2018, \$7.4 million for five years, and \$18.0 million over 10 years.

Prevent VA from Providing Unlimited Amounts of Payments for Flight Training at Public School: Amend title 38 U.S.C. § 3313(e) to impose tuition and fee payment caps at Institutions of Higher Learning (IHLs) with flight training programs and establish a maximum allowable fee structure for all VA-funded flight programs: Under this proposal, the maximum allowable fee for flight training would be capped at \$21,260 in 2016. Savings are estimated to be \$44.1 million in 2017, \$45.5 million in 2018, \$237.8 million for five years, and \$534.9 million for over 10 years.

Amend title 38 U.S.C. § 3315 and § 3315A to Charge Entitlement for Licensing and Certification Examinations and National Tests to Allow for Proration Rather than Full Months: Additionally under section 3315, Veterans are entitled to payments for licensing or certification tests. However, if VA pays for a licensing or certification test, the Veteran entitlement is reduced by one month of entitlement (rounded to the nearest whole month) for each \$1648 reimbursed for the academic year 2014. Regardless of the cost for the test be it \$50 or \$1,600, one month of entitlement is deducted from the Veteran's total entitlement. VA proposes to amend the law to reduce entitlements at a pro-rated number days aligned with the cost of the exams instead of one full month. Benefit costs are estimated to be \$1.1 million in 2017, \$1.1 million in 2018, \$6.1 million over 5 years, and \$13.5 million over 10 years.

Remove Housing Allowance Requirements for Refund of the \$1,200 Contribution Under Chapter 30: Amend Title 38 U.S.C. § 3011(b) and § 3012(c) to provide a refund of Chapter 30 contributions directly to the Veteran upon exhaustion of Post-9/11 GI Bill entitlement, regardless of who uses the entitlement or whether he/she is receiving monthly housing allowance benefits. Costs are estimated to be \$1.7 million in 2017, \$1.8 million in 2018, \$9.0 million over five years, and \$18.4 million over 10 years.

Authorization of Expanded Work-Study Activities: Amend 38 U.S.C., section 3485(a)(4) to authorize, for ten years, the VA work-study program to provide work-study benefits for certain activities including outreach programs with State Approving Agencies, State Homes, National Cemeteries and State Cemeteries. Estimated costs for this proposal are \$931 thousand in 2017, \$956 thousand in 2018, \$5.0 million over five years, and \$11.3 million over 10 years.

Extension of Veterans' Advisory Committee on Education: Amend Title 38, U.S.C. Section 3692 (c) to authorize VA's Advisory Committee on Education through December 31, 2018. There are no benefit costs associated with this proposal.

Expand Eligibility for Specially Adapted Housing (SAH) Grants: Servicemembers and Veterans returning from combat zones are often faced with injuries that affect their ability to ambulate without assistance or carry out the activities of daily life (ADL) without certain modifications to their home. However, many of these wounded warriors do not qualify for §2101(b) benefits because of the type of injury they suffer from. This proposal seeks to expand eligibility to Veterans who served on or after September 11, 2001 who suffer from amputation or loss of use of only one upper extremity or hand and upper extremity uniplegia or limb salvage. Costs are estimated to be \$1.1 million in 2017, \$1 million in 2018, \$4.8 million over five years, and \$9.0 million over 10 years.

Authorize the Secretary to Establish Debts for Breaching Specially Adapted Housing Contractual Obligations: Amend 38 U.S.C. §2102 to authorize the Secretary to establish debts against any Veteran or responsible party in connection with the acquisition of specially adapted housing (SAH). This change is consistent with the authority of the Department of Veterans Affairs (VA) under 38 U.S.C. §3685(a) to collect overpayments made in connection with its education programs. Savings associated with this proposal are estimated to be \$63 thousand in 2017, \$66 thousand in 2018, \$346 thousand over five years, and \$718 thousand over 10 years.

Expansion of Specially Adapted Housing Assistance for Certain Veterans with Disabilities: Public Law 112-154, Honoring American's Veterans and Caring for Camp Lejeune Families Act, expanded eligibility for Specially Adapted Housing (SAH) assistance for certain Veterans with disabilities that cause difficulty ambulating. This proposal seeks to extend, through September 30, 2020, the Secretary's authority in 38 U.S.C. §2101(a) to provide expanded eligibility for SAH assistance. This authority began on October 1, 2012 and is scheduled to expire on September 30, 2016. The authority also limits the number of applications approved to no more than 30. Costs associated with this proposal are estimated to be \$2.3 million in 2017, \$2.4 million in 2018, and \$12.7 million over five years.

Increase Funding of Contract Educational and Vocational Counseling: Amend Title 38, U.S.C., Section 3697 to increase to \$7 million, for ten years, the annual limitation on funding available to provide contract vocational and educational counseling to individuals qualifying under section 3697A of Title 38. Net increases in mandatory costs associated

with this proposal are \$1 million in 2017, \$1 million in 2018, \$5 million over five years and \$10 million over 10 years. Administrative costs associated with this proposal are \$572 thousand in 2017, \$2.9 million over five years, and \$6.2 million over 10 years.

Revision of Certain Wage Requirements for Approval of On-The-Job Training Under the Post-9/11 GI Bill: Amend 38 U.S.C. Section 3313(g)(3)(B) to permit certain employers (training establishments) to deduct from the salary of certain Veterans pursuing on-the-job training amounts equal to educational assistance received (as a monthly stipend) under the Post-9/11 GI Bill. This proposal would provide an additional incentive for certain employers offering approved on-the-job training programs to hire Veterans. It would maintain the current requirement in law that the aggregate amount paid in combined benefits and salary may not be less than the amount of wages paid to a non-Veteran in the same training position. There are no costs associated with this proposal.

Request Statutory Change to 38 U.S.C. Section 3683 Conflicting Interest to “Any Institution” Not Just For-Profit Institutions: This proposal would ensure that conflicts of interest do not exist for members of State Approving Agencies approve programs at any institution type, including non-profit universities. There are no costs associated with this proposal.

Housing – Proposed Legislation

Extension of Net Value Authority: This proposal would extend VA’s authority for calculating the net value of a property and using that calculation to determine VA’s liability to pay claims at the time of foreclosure through the end of FY 2020. Section 202 of the Department of Veterans Affairs Expiring Authorities Act of 2015, P.L. 114-58, extended the requirements to October 1, 2016. This proposal would also provide the Secretary with the discretion to determine what costs should be included in the net value calculation, based on prevailing economic conditions. Mandatory benefits loan subsidy costs associated with this proposal are insignificant. The tangible benefits gained by this proposal are predictability of foreclosure liabilities for VA. There are no costs associated with this proposal. Extension of Authority to Provide Shelter to Homeless Veterans or the Homeless Shelter Program (HSP). This proposal would extend the authority of the Secretary to sell, lease, or donate homes acquired through the guaranteed loan program to non-profit organizations for the purpose of providing shelter to homeless Veterans through September 30, 2017. Section 303 of the Department of Veterans Affairs Expiring Authorities Act of 2015, P.L. 114-58, amended 38 U.S.C. § 2041(c) to extend the authority through September 30, 2016. The proposal is estimated to incur loan subsidy costs of \$5.4 million in 2017 and over 5 and 10 years. No Discretionary costs are associated with this proposal.

Insurance – Proposed Legislation

Supplemental Service-Disabled Veterans’ Insurance (S-DVI) Coverage for Veterans over the Age of 65: This proposal would eliminate the requirement that a Veteran apply for supplemental S-DVI coverage (statutory maximum amount is \$30,000) before he or she attains the age of 65 by amending 38 U.S.C. 1922A. This change would assist the relatively small number of Veterans who are 65 years of age or older who have expressed a desire for this opportunity. The costs are estimated to be \$100 thousand in 2017, \$200 thousand in 2018, \$1.3 million over five years, and \$3.8 million over 10 years.

Board of Veterans’ Appeals – Proposed Legislation

Close the Evidentiary Record: The proposal would amend 38 U.S.C. Chapter 71 to close the evidentiary record, with very limited exceptions, at the point an initial VA decision is issued.

Transfer Appellate Jurisdiction to the Board of Veterans’ Appeals: This proposal would Amend 38 U.S.C. Chapter 71 to transfer jurisdiction over an appeal to the Board at the time of receipt of an NOD.

Eliminate Optional Board Hearings: The proposal would amend 38 U.S.C. Chapter 71 to eliminate current optional personal hearings before Veterans Law Judges (VLJ).

Reasons and Bases: The Board proposes to define the term “reasons and bases” in 38 U.S.C. § 7104(d) (1) to mean a plausible statement of the reasons for the Board’s ultimate findings of fact and conclusions of law. This proposal seeks to simplify the content requirements of Board decisions, making them more understandable to Veterans.

Equal Access of Justice Act (EAJA) Reform for Veterans Benefits Appeals: This proposal would amend the definition of “prevailing party” for purposes of establishing eligibility to receive attorney fees and expenses fees under 28 U.S.C. § 2412 of EAJA for cases handled by the United States Court of Appeals for Veterans Claims (Court). The proposal would reduce the number of Court remands and more closely align payment of attorney fees with the grant of benefits for Veterans.

Other Legislative Proposals

Authority to Expand VA’s Current Enhanced-Use Lease Authority Beyond Supportive Housing: VA will propose certain amendments to expand the scope of VA’s enhanced-use lease (EUL) authority (codified at 38 U.S.C. § 8161-8169) to include projects that are supportive housing and projects that provide services and/or mixed uses, which incorporate other important benefits to Veterans. VA’s original enhanced use lease (EUL) authority was enacted in 1991 and subsequently expired on December 31, 2011. In August 2012, a new EUL authority was authorized via Section 211 of P.L. 112-154 that

limited VA's EUL public/private partnership efforts to "supportive housing" projects. This limited EUL authority hinders VA's ability to enter into a wider range of EULs that would benefit Veterans, and VA's mission and operations.

Legislative proposal to Allow the Office of Information and Technology (OI&T) Title 38 Pay Authority, in Order to Maintain On-Call Pay for Title 5 IT Specialists:

The proposed change in Title 38 legislation is to continue to allow Title 5 IT Specialists authority to serve in an "on-call" status and receive "on-call" pay because of the requirement to support VA's healthcare mission 24 hours a day, 7 days a week (24 x 7). When the realignment of OI&T occurred, Title 5 IT staff were transferred out of VHA and the authority to receive "on-call" pay was subsequently lost. This change has resulted in the inability to provide off-tour IT support for mission-critical IT systems that are in use by VA employees across the country 24 hours a day, 365 days a year. On-call coverage is needed because VA does not staff IT on a 24x7 basis.

Legislative proposal to Allow the Office of Information and Technology (OI&T) Title 38 Pay Authority to Recruit and Retain Healthcare Professionals:

The purpose of the proposed change in Title 38 legislation is to allow OI&T, now operating under a single IT authority, to recruit and retain healthcare professionals in several of our leadership positions. Having senior executives, specifically, in our IT software development and at the IT Veterans Integrated Service Network (VISN) Chief Information Officer (CIO) level that possess both the medical field background and management background is very important. The complexities of the medical field itself require individuals that have both extensive specialized experience and knowledge in this field, and in the IT management field.

Policy Research Grant-Making Authority: This proposal would give the Secretary explicit authority to issue policy research grants to entities such as universities and think tanks to study cross-cutting Veterans policy issues.

Removal of Requirement that VA Grant Authority be Subject to Certain Rule-Making Processes: This proposal will conform grant authority to the Administrative Procedure Act (5 U.S.C. § 553), which exempts matters relating to grants from its rulemaking requirements.

Allow for VA Discretion on the Handling of Interest and Administrative Cost Charges on Delinquent Payments: This proposal would modify 38 USC 5315 to allow the Secretary discretion to waive interest and administrative charges on delinquent payments. Waiver should be allowed in instances where a debtor lives at or near the poverty level with little to no resources to repay interest and administrative charges. Many of these beneficiaries are elderly.

Eliminate Requirement for Quarterly Conference Reporting: This proposal would relieve VA from certain overly burdensome reporting requirements relating to conferences. VA seeks to amend 38 U.S.C. § 517 to remove the requirement for the Secretary to submit quarterly reports on conferences to the Senate Committee on Veterans'

Affairs and the House Committee on Veterans' Affairs. While we understand the need for appropriate oversight and controls over conference expenditures, in practical effect these requirements have impeded VA's ability to conduct vital education and collaborative efforts that play a great part in improving VA services, advance medical care initiatives, and improve customer service. Existing processes we believe serve the same oversight and control interests that the requirement in current law was aimed to serve. These policies and procedures (which would remain even if this reporting requirement was removed) provide accountability and oversight previously found to be lacking. Since implementing the policies and procedures, VA has robust oversight and management controls over all covered conferences and has had no known instances of unconstrained conference costs. Relief from this requirement will also provide cost savings that will enable VA to better serve Veterans.

Extend the authority for Advisory Committee on Minority Veterans (extend for four years): VA proposes extending the current authority to Dec 31, 2021. The law (38 U.S.C. 544(e)) currently specifies that “[t]he Committee shall cease to exist March 31, 2016.” The proposal would also change the reporting responsibilities of that advisory committee from annual submissions to every other year.

Extend Paralympics and Adaptive Sports Programs for Disabled Veteran Athletes: Legislation will be proposed to extend the authority currently provided by 38 U.S.C. § 322 to maintain the Office of National Veterans Sports Programs and Special Events and the Monthly Assistance Allowance for Disabled Veterans Training in Paralympic Sports and § 521A for Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces from September 30, 2016 to September 30, 2021.



Proposed Legislation Chart

Proposed Legislation (dollars in thousands)												
The following items with budgetary impact are included in the President's legislative program for the Second Session of the 114th Congress												
\$ in thousands	2017		2018		2019		2020		2021		2017 to 2021	
	BA	Outlays	BA	Outlays	BA	Outlays	BA	Outlays	BA	Outlays	BA	Outlays
Disability Compensation and Pension Benefits:												
Round-Down of the Computation of the Cost of Living Adjustment (COLA) for Service-Connected Compensation and Dependency and Indemnity Compensation (DIC) for Five Years	(21,473)	(21,473)	(63,511)	(63,511)	(120,439)	(120,439)	(169,174)	(169,174)	(224,750)	(224,750)	(599,347)	(599,347)
Remove Annual Income from Net-Worth Calculation	45	45	97	97	157	157	227	227	306	306	832	832
Eliminate Reductions of Special Monthly Compensation for Hospitalized Veterans	795	795	813	813	830	830	849	849	868	868	4,155	4,155
Reissue VA Benefit Payments to all Victims of Fiduciary Misuse	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	10,000	10,000
Restoring the Eligibility of Certain Veterans for an Aid and Attendance Allowance	2,159	2,159	2,288	2,288	2,418	2,418	2,558	2,558	2,672	2,672	12,095	12,095
Clarify evidentiary threshold at which VA is required to provide a medical examination	(120,082)	(120,082)	(124,875)	(124,875)	(129,860)	(129,860)	(135,044)	(135,044)	(140,435)	(140,435)	(650,296)	(650,296)
Total Disability Compensation and Pensions Benefits	(136,556)	(136,556)	(183,188)	(183,188)	(244,894)	(244,894)	(298,584)	(298,584)	(359,339)	(359,339)	(1,222,561)	(1,222,561)
Burial Benefits:												
Expansion of Eligibility for Government-Furnished Headstone or Marker for Medal of Honor Recipients	33	33	34	34	36	36	37	37	38	38	178	178
Burial of Dependents Who Predecease Active Duty Servicemembers	46	46	47	47	47	47	48	48	49	49	237	237
Expand Authority to Provide Headstones and Markers to Eligible Spouses and Dependents at Tribal Veterans Cemeteries	46	46	77	77	84	84	87	87	91	91	385	385
Expand Eligibility for Medallion or Other Device to Signify Status as Deceased Veteran	483	483	490	490	497	497	505	505	512	512	2,487	2,487
Increase Monetary Burial Benefit Allowances According to Increases in the Consumer Price Index	471	471	1,865	1,865	3,329	3,329	5,052	5,052	6,831	6,831	17,548	17,548
Expand VA Authority to Provide Outer Burial Receptacles to State and Tribal Cemeteries	1,868	1,868	3,100	3,100	1,144	1,144	2,227	2,227	3,466	3,466	11,805	11,805
Total Burial Benefits	2,947	2,947	5,613	5,613	5,137	5,137	7,956	7,956	10,987	10,987	32,640	32,640
Readjustment Benefits:												
Prevent VA from Providing Unlimited Amounts of Payments for Flight Training at Public School	(44,119)	(44,119)	(45,451)	(45,451)	(47,281)	(47,281)	(49,376)	(49,376)	(51,613)	(51,613)	(237,840)	(237,840)
Restore Entitlement when a Program's Approval is Withdrawn and the Withdrawal is Effective During Such a Period of Enrollment	275	275	284	284	292	292	303	303	315	315	1,469	1,469
Rounding Down of Certain Cost-of-Living Adjustments	(872)	(872)	(1,152)	(1,152)	(1,113)	(1,113)	(2,170)	(2,170)	(2,131)	(2,131)	(7,438)	(7,438)
Authorization of Expanded Work-Study Activities	931	931	956	956	996	996	1,041	1,041	1,089	1,089	5,013	5,013
Amend title 38 U.S.C. § 3315 and § 3315A to Charge Entitlement for Licensing and Certification Examinations and National Tests to Allow for Proration Rather than Full Months	1,127	1,127	1,142	1,142	1,231	1,231	1,273	1,273	1,318	1,318	6,091	6,091
Remove Housing Allowance Requirements for Refund of the \$1,200 Contribution Under Chapter 30	1,748	1,748	1,783	1,783	1,799	1,799	1,815	1,815	1,832	1,832	8,977	8,977
Add Section 1230(4)(b) of Title 10 to the List of Authorities that Qualify as Active Duty for Post-9/11 GI Bill Eligibility	0	0	17,239	17,239	32,509	32,509	35,521	35,521	37,811	37,811	123,080	123,080
Allow for Extension of a Period of Employment Services Under Chapter 31	209	209	211	211	217	217	225	225	233	233	1,095	1,095
Vocational Rehabilitation for Servicemembers	11,305	11,305	(2,522)	(2,522)	(2,066)	(2,066)	(1,691)	(1,691)	(1,385)	(1,385)	3,641	3,641
Increase Funding of Contract Educational and Vocational Counseling	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	5,000	5,000
Introduce Statutory Language in 38 U.S.C. Section 3901 to contemporize types of Automobile adaptive equipment grants	(2,642)	(2,642)	(2,506)	(2,506)	(2,264)	(2,264)	(2,045)	(2,045)	(1,847)	(1,847)	(11,304)	(11,304)
Move the Authority for Home Modifications Under a Rehabilitation Program to the Specially Adapted Housing (SAH) program	(565)	(565)	(591)	(591)	(619)	(619)	(648)	(648)	(678)	(678)	(3,101)	(3,101)
Authorize the Secretary to Establish Debts for Breaching Specially Adapted Housing Contractual Obligations	(63)	(63)	(66)	(66)	(69)	(69)	(72)	(72)	(76)	(76)	(346)	(346)
Expand Eligibility for Specially Adapted Housing (SAH) Grants	1,050	1,050	1,100	1,100	1,151	1,151	709	709	742	742	4,752	4,752
Expansion of Specially Adapted Housing Assistance for Certain Veterans with Disabilities	2,317	2,317	2,425	2,425	2,539	2,539	2,658	2,658	2,783	2,783	12,722	12,722
Total Readjustment Benefits	(28,299)	(28,299)	(26,148)	(26,148)	(11,678)	(11,678)	(11,457)	(11,457)	(10,607)	(10,607)	(88,189)	(88,189)
Medical Care:												
Extend Civilian Health and Medical Program of the VA (CHAMPVA) Eligibility for Covered Children Up to Age 26	55,934	55,934	59,502	59,502	64,081	64,081	68,950	68,950	74,279	74,279	322,746	322,746
Grants for Transportation of Highly Rural Veterans	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,083	15,415	15,415
Continuing Professional Education Requirements for All Full-Time Certified Advanced Practice Registered Nurses (APRNs)	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	32,320	32,320
Enhance Veteran Safety by Exempting Copayment Requirements for Naloxone Rescue Kits and Education	100	100	100	100	99	99	99	99	100	100	498	498
Title 38 Appointment and Compensation System for Medical Center Directors and Network Directors	8,813	8,813	9,472	9,472	9,464	9,464	9,456	9,456	9,451	9,451	46,656	46,656
Veterans Transportation Service (VTS) - Transportation of Individuals to and from Facilities of the Department of Veteran Affairs	(1,720)	(1,720)	(2,135)	(2,135)	(5,142)	(5,142)						
38 U.S.C Section 7675, Which Defines Liability for Breach of Agreement Under the Employee Incentive Scholarship Program (EISP)	(42)	(42)	(43)	(43)	(45)	(45)	(46)	(46)	(47)	(47)	(223)	(223)
VA Payment for Medical Foster Home (MFH)	(8,732)	(8,732)	(10,433)	(10,433)	(12,466)	(12,466)	(14,895)	(14,895)	(17,490)	(17,490)	(64,016)	(64,016)
Smoke-Free Environment	(7,863)	(7,863)	(8,013)	(8,013)	(8,176)	(8,176)	(8,345)	(8,345)	(8,521)	(8,521)	(40,918)	(40,918)
Expand VA's Income Verification Matching Authority	(16,436)	(16,436)	(16,765)	(16,765)	(17,100)	(17,100)	(17,442)	(17,442)	(17,791)	(17,791)	(85,534)	(85,534)
Total Medical Care Costs	39,601	39,601	41,232	41,232	40,262	40,262	47,324	47,324	49,528	49,528	226,944	217,947

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Legislative Authorization of Programs

Legislative Authorization of Programs

The authorizations for VA's programs are contained in title 38 of the U.S. Code. With the exception of major medical construction projects and certain leases, annual authorization by the legislative committees and the Congress is not required. However, title 38 does provide for certain multiple-year authorizations for specific purposes. The authorization of the following items is limited by title 38 in regard to the time and/or amount as indicated:

Section of U.S.C.- Citation	Public Law- Citation	Public Law- Citation Most Recent Extension	Title	Description	Expiration Date
Compensation and Pension					
38 USC 1303(a)	P.L. 105-33, § 8031(b)(1)	P.L. 108-183 § 706	COLA Adjustment for DIC for Service Connected Deaths	Rounding Down of Cost-of-Living Adjustments for Dependency and Indemnity Compensation for Service-Connected Deaths	9/30/2013
38 USC 1104 (a)	P.L. 105-33, § 8031(a)(1)	P.L. 108-183 § 706	COLA Adjustment for Comp for Service Connected Deaths	Rounding Down of Cost-of-Living Adjustments for Compensation for Service-Connected Disability or Death	9/30/2013
38 USC 5503(d)(7)	P.L. 101-508, § 8003(a)	P.L. 112-56, § 262	Pension Limitations Regarding Medicaid	Pension Limitations Regarding Medicaid (Reduction of pension to certain Medicaid-eligible veterans and surviving spouses receiving care in nursing homes)	11/30/2016
38 USC 1116(e)	P.L. 102-4, § 2(a)(1)	P.L. 107-103 § 201(d)(1)	Presumptions of Service Connection for Agent Orange Exposure	Presumptions of Service Connection for Diseases Associated with Exposure to Certain Herbicide Agents: Presumption of Exposure for Veterans who Served in the Republic of Vietnam	9/30/2015
38 USC 1116, note	P.L. 102-4, § 3	P.L. 114-58 § 408	Agent Orange, Agreement with National Academies of Sciences	Requires VA to contract with National Academies of Sciences for biennial review of literature on health effects of Agent Orange exposure	12/31/2016
38 USC 5317(g); 26 USC 6103(l)(7)(D)(viii)	P.L. 101-508 § 8051	P.L. 113-146 § 706	IRS Data Match for Pension Eligibility	Access to IRS data for purposes of verifying eligibility for pension (Use of Income Information from IRS and SSA)	9/30/2024
38 USC 503(c)	PL 102-83 § 2(a)	PL 114-58 § 404	Administrative Error; Equitable Relief	Required reports on dispositions of recommendations for equitable relief	12/31/2016
38 U.S.C. 5110(b)	P.L. 112-154, sec. 506	N/A	Retroactive Effective Date for Awards of Disability Comp	Authority for retroactive effective date for awards of disability compensation in connection with applications that are fully-developed at submittal	8/6/2015

Section of U.S.C- Citation	Public Law- Citation	Public Law- Citation Most Recent Extension	Title	Description	Expiration Date
Readjustment Benefits					
10 U.S.C. 1071 note	P.L. 110-181 § 1631 (b)(2)	P.L. 114-58 § 204	Voc Rehab for Seriously Disabled Servicemembers	Vocational rehabilitation for certain seriously disabled servicemembers	12/31/2016
38 USC 3485(a)(4)(A)(C)and (F)	P.L. 107-103	P.L. 111-275 § 101	Enhanced Work-Study Allowance	Enhanced Work Study Allowance	6/30/2013
38 USC 3015(h) & 38 USC 3564	P.L. 105-178 § 8201	P.L. 108-183 § 304	COLA Adjustment in Chapters 30 & 35	Rounding down of Cost-of-Living Adjustments in chapters 30 and 35 rates through FY 2013	9/30/2013
	P.L. 112-56 § 211		Veterans Retraining Assistance Program	Authority for up to 12 months of retraining assistance for unemployed Veterans ages 35-60	3/31/2014
38 USC 3692(c)	P.L. 89-358	P.L. 114-58 § 201	Veterans' Advisory Committee on Education	Veterans' Advisory Committee on Education	12/31/2016
Housing					
38 USC 3729(b)(2)(A)(iii),(B)(i)(C)(i),(D)(i)	P.L. 108-183 § 405	P.L. 113-146, § 704	Loan Fee Collections	Loan Fees Collections [adjusts the loan fee for certain loans closed either before October 1, 2011, or on or after October 1, 2011, and before September 30, 2013]	9/30/2024
38 U.S.C. 2101(a)(4)(A)	P.L. 112-154 §202	P.L. 114-58, § 407	Temp Expansion of Specially Adapted Housing Assist.	Temporary Expansion of Specially Adapted Housing Assistance for Certain Veterans with Disabilities Causing Difficulty with Ambulating	9/30/2016
38 U.S.C. 3703 (annotation)	P.L. 110-389, sec. 501	P.L. 112-154 §702(c)	Temporary Increase to Maximum Guaranty Amount	Temporary Increase to Maximum Guaranty Amount	12/31/2014
38 U.S.C. 3720(h)(2)	P.L. 102-291 §5 P.L. 107-103 § 405	P.L. 112-154 § 702(a)	Mortgage Certificates for Pooled Loans	Mortgage Certificates for Pooled (Vendee) Loans (pooled loans asset sales - Authority to guarantee sold loans)	12/31/2016
38 USC 2102A	P.L. 109-233 § 101(a)	P.L. 112-154 §205	SAH for Veterans Temporarily Residing w/Family	Specially-Adapted Housing Assistance (SAH) for Veterans temporarily residing with family members.	12/31/2022
38 USC 8118(a)(5)	P.L. 102-54 §9(a)	P.L. 112-37 § 10(g)	Real Property Transfers for Homeless Veterans	Real Property Transfers for Homeless Veterans Assistance (Housing Assistance for Homeless Veterans)	12/31/2018
38 USC 3732(c)	P.L. 98-369§ 2514	P.L. 114-58, § 202	Calculation of Liquidation Sales Amounts	Calculation of Net Value at time of foreclosure	9/30/2016
38 USC 3733(a)(7)	P.L. 108-183 § 404(a)	P.L. 114-58, § 203	Change Vendee Loan Program	Change Vendee Loan Program	9/30/2016
38 U.S.C. 2108	P.L. 111-275 § 203		Specially Adapted Housing Assistive Tech Grant	Specially Adapted Housing Assistive Technology Grant	9/30/2016

Section of U.S.C.- Citation	Public Law- Citation	Public Law- Citation Most Recent Extension	Title	Description	Expiration Date
Programs for Homeless Veterans					
38 USC 2041(c)	P.L. 102-54 §9(a).	P.L. 114-58 § 203	Homeless Veterans Housing Assistance	Housing assistance for homeless veterans	9/30/2016
38 USC 2044(e)	P.L. 110-387 §606	P.L. 114-58 §304	Financial Assistance for Supportive Services	Financial assistance for supportive services for very low- income veteran families in permanent housing	9/30/2016
38 USC 2061(d)	P.L. 107-95 § 5(a)(1)	P.L. 114-58 § 305	Homeless Veterans-Grant Program for Homesless Veterans with Special Needs	Grant Program for Homeless Veterans with Special Needs	9/30/2016
38 USC 2021(e)(1)(F)	PL 107-95 § 5(a)(1)	P.L. 114-58 § 301	Homeless Veterans Reintegration Programs	Homeless Veterans reintegration programs	9/30/2016
Medical Care					
38 USC 2066(d)	P.L. 107-95 § 5(a)(1)	P.L. 114-58 § 306	Advisory Committee on Homeless Veterans	Advisory Committee on Homeless Veterans	12/31/2016
38 USC 2031(b)	P.L. 105-114 § 202(a)	P.L. 114-58 § 307(a)	Homeless and Seriously Ill Veterans- Treatment/ Rehab	Treatment and Rehabilitation for Seriously Mentally Ill and Homeless Veterans- General treatment	9/30/2016
38 USC 2033(d)	P.L. 105-114 § 202(a)	P.L. 114-58 § 307(b)	Homeless & Mentally Ill Veterans Addl Services	Treatment and Rehabilitation for Seriously Mentally Ill and Homeless Veterans-Additional services at certain locations	9/30/2016
38 USC 1703 Note	P.L. 110-387 § 403	P.L. 113-146 § 104	Pilot Program of Enhanced Contract Care Authority for Health Care Needs of Veterans in Highly Rural Areas	Pilot program under which the Secretary provides covered health services to covered veterans through qualifying non- Department of Veterans Affairs health care providers	8/7/2016
38 USC 1710A(d)	P.L. 106-117 § 101(a)	P.L. 114-58 § 102	Required nursing home care for certain veterans	Required nursing home care for certain service-connected veterans	12/31/2016
38 USC 1712A Note	P.L. 111-163 §203	P.L. 114-58 § 109	Pilot Program on Counseling in Retreat Settings	Pilot Program on Counseling in retreat settings for women Veterans newly seperated from service in the Armed Forces	12/31/2016
38 USC 1712A Note	P.L. 98-528	P.L. 112-260 § 204	PTSD- Diagnosis & Treatment, Education & Training	Post-Traumatic Stress Disorder; Diagnosis and Treatment; Education and Training of Health-Care Personnel; Coordination with Readjustment Counseling; Special Committee; National Center; Compilation and Publication of Research Results; Reports to Congressional Committees	5/1/2016
38 USC 1710 Note	P.L. 111-163 § 307	P.L. 114-58 § 106	Grants for Veterans Service Organizations for Transportation of Highly Rural Veterans	Grant program to provide innovative transportation options to veterans in highly rural areas.	9/30/2016
38 USC 1710 Note	P.L. 111-163 §205	P.L. 114-58 § 105	Pilot Program on assistance for Child Care	Pilot Program on assistance for Child Care for certain Veterans receiving health care	12/31/2016
38 USC 1710 C Note	P.L. 110-181 § 1705	P.L. 113-146 § 501	Pilot Program on Assisted Living Services for Veterans with TBI	Pilot program to assess the effectiveness of providing assisted living services to eligible Veterans to enhance the rehabilitation, quality of life, and community integration of such Veterans.	10/6/2017
38 USC 1712 Note	P.L. 111-163 §510		Pilot Program for Provision of Dental Ins. Plans	Pilot program on provision of dental insurance plans to Veterans and survivors and dependents of Veterans.	12/31/2016
38 USC 1720G(e)	P.L. 110-387 §101	P.L. 114-58 § 103	Assistance and support services for caregivers		9/30/2016
38 USC 111A	P.L. 112-260 section 202	P.L. 114-58 § 401	Transportation of Beneficiaries	Transportation of beneficiaries to and from facilities of Department of Veterans Affairs.	12/31/2016

Section of U.S.C.- Citation	Public Law- Citation	Public Law- Citation Most Recent Extension	Title	Description	Expiration Date
Co-Payments and Medical Care Cost Recovery					
38 USC 1710(f)(2)(B)	P.L. 111-163, section 517	P.L. 114-58 § 101	Hospital Co-pay	Copayments for Hospital Care and Nursing Home Care	9/30/2016
38 USC 1729(a)(2)(E)	P.L. 111-163 §518	P.L. 114-58 § 104	Medical Care Cost Recovery Authority	Medical care cost recovery authority (Third-party Billing)	10/1/2016
38 USC § 1703(d)(4)	P.L. 108-422 § 601	P.L. 112-37 § 10(a)	Recovery Audits for Certain Contracts under 38 USC 1703	Recovery Audits for certain contracts under 38 USC 1703	9/30/2020
VA/DoD Joint Sharig Funds					
38 USC 8111 (d)		P.L. 114-58, section 107	VA-DOD Joint Incentives for Sharing Initiatives	VA-DOD Joint Incentives for Sharing Initiatives	9/30/2016
	P.L. 111-84 § 1704 , as amended by § 722 of P.L. 113-281	P.L. 114-58, section 108	VA -DoD Joint Funding for Medical Facility Demonstration Fund	VA-DoD Joint funding authority for Medical facility demonstration fund	9/30/2017
General Operating Expenses					
38 USC 315(b)	P.L. 102-83, § 2 (a)	P.L. 114-58 § 403	Philippines Regional Office	Philippines Regional Office	9/30/16
38 USC 5101 note	P.L. 108-183, § 704	P.L. 114-58, § 409	Contract Disability Claims	Contract medical Disability Exams - (Temporary authority for performance of medical disability examinations by contract physicians)	12/31/2016
38 USC 544(e)	P.L. 103-446 § 510(a)	P.L. 110-389 § 809	Advisory Committee on Minority Veterans	Advisory Committee on Minority Veterans	12/31/2016
38 USC 322	P.L. 110-389 § 703	P.L. 114-58 § 402	National Veterans Sports Programs & Special Events	Office of National Veterans Sports Programs and Special Events	9/30/2016
38 USC 521A	P.L. 110-389 §§ 701-702	P.L. 113-59 §5(e)	Assistance for United States Paralympics, Inc.	Assistance for United States Paralympics, Inc.	9/30/2016

Section of U.S.C- Citation	Public Law- Citation	Public Law- Citation Most Recent Extension	Title	Description	Expiration Date
Information Technology					
38 USC 7907	P.L. 109-461		VA Information Security Education Assistance	Provides educational assistance to IT professionals who then work for the Department.	7/31/2017
Construction					
38 USC 8161-8169	P.L. 102-86, Title IV, Section 401(a)	P.L. 112-154, Title II §211(j)	Enhanced Use Leasing	Authority to outlease VA property for selected Lessees to provide Supportive Housing for Veterans on a priority basis, and provide VA with negotiated monetary consideration.	12/31/2023
EXPIRED- or Permanent- showing in MAX					
38 USC 5317 A(d); 42USC 653 (j) (11)	P.L. 110-157 § 301	P.L. 113-37 §3(b)	NDNH Income Verification	Authority to use National Directory of New Hires for income verification purposes for certain veterans benefits	3/29/2014
38 USC 1117(c)(2); 38 USC 1118(e)	P.L. 105-277 § 1602(a), (c)	P.L. 107-103 § 202(d)(1)	Gulf War- Presumption of Service Connection	Presumption of service-connection for Gulf War Illness	9/30/2011
38 USC 3710(a)(12)	P.L. 109-461 § 501		Loan Guarantees for Residential Co-op	Loan Guarantees for Residential Cooperative Housing Units (CO-OP loan guarantees)	12/21/2011

Note 2: "Mandatory" means budget authority and outlays controlled by permanent laws. "Discretionary" means budget authority controlled by annual appropriations acts

Note 3: "YES" means that, although the appropriations authorization expires, the program could continue to operate without an extension of the appropriations

Note 4: Entries signify the best available prediction of VA's initial positions, obtained from discussions between OGC attorneys and Administration and Staff Officials at the

Note 5: PSG POCs-- I: Doug Bradshaw, 202.461.4900, doug.bradshaw@va.gov II: Dick Hipolit, 202.461.7699, richard.hipolit@va.gov III: Walt Hall, 202.461.7694,

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GAO Audit Reports

Introduction

The reports provided in the Summary Volume are those received by VA during the period of October 1, 2014 through September 30, 2015.

The reports are identified by title and are presented in calendar year order. Each report is summarized to include the responsible organization, the actual GAO recommendations, VA's "actions taken," and budget implications, if any, are noted. The "actions taken" portion of the report follows closely from VA's comments that are represented in the draft reports that VA provides for all GAO reports. The narrative summarizes the instances where VA has incorporated GAO recommendations into current operations (e.g., where VA has employed a different approach in the budgeting process, or where specific steps have been utilized to improve forecasting results). Budget implications are presented to emphasize the need to recognize the impact of the recommendations on VA resources.

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9. TELECOMMUNICATIONS: Agencies Need Better Controls to Achieve Significant Savings on Mobile Devices and Services; GAO-15-431. Report provided to VA 5/20/15	
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11. VETERANS' DISABILITY BENEFITS: VA Can Better Ensure Unemployability Decisions are Well Supported; GAO-15-464. Report provided to VA 7/2/15	

12. VETERANS AFFAIRS CONTRACTING: Improved Oversight Needed for Certain Contractual Arrangements; GAO-15-581. Report provided to VA 7/16/15	
13. ELECTRONIC HEALTH RECORDS: Outcome-Oriented Metrics and Goals Needed to Gauge DOD's and VA's Progress in Achieving Interoperability; GAO-15-530. Report provided to VA 8/14/15	
14. VA HEALTH CARE: Actions Needed to Assess Decrease in Root Cause Analyses of Adverse Events; GAO-15-643. Report provided to VA 8/28/15	
15. INFORMATION TECHNOLOGY REFORM: Billions of Dollars in Savings Have Been Realized, but Agencies Need to Complete Reinvestment Plans; GAO-15-617. Report provided to VA 9/15/15	
16. VETERANS BENEFITS MANAGEMENT SYSTEM: Ongoing Development and Implementation Can Be Improved; Goals Are Needed to Promote Increased User Satisfaction; GAO-15-582. Report provided to VA 9/15/15	
17. ADAPTIVE SPORTS GRANT PROGRAM: VA Has Taken Steps Toward Better Grantee Selection and Oversight, but Additional Actions Needed; GAO-15-791. Report provided to VA 9/28/15	



GAO Audits

1. MANAGING FOR RESULTS: Selected Agencies Need to Take Additional Efforts to Improve Customer Service; GAO-15-84. Report provided to VA 10/25/14

RESPONSIBLE OFFICE: Veterans Benefits Administration

RECOMMENDATIONS:

- Recognizing that moving toward a more customer-oriented culture within federal agencies is likely to be a continuous effort, the Secretary of Veterans Affairs should direct the Veterans Benefits Administration to: (1) ensure standards are easily publicly available to improve disability compensation customer service standards; and (2) ensure standards are easily publicly available and develop a feedback mechanism that includes guidance or criteria for service providers to elevate customer feedback and identify the need for and to make service improvements.

ACTIONS TAKEN:

- The Veterans Benefits Administration (VBA) made available to the public its customer service standards for the disability compensation program it administers on the ASPIRE website (http://www.benefits.va.gov/REPORTS/aspire_dashboard.asp). The ASPIRE website was updated in October 2015 to include the customer service standards performance results as of September 30, 2015.
- VBA made available to the public its Veterans' Group Life Insurance's (VGLI) customer service standards on the ASPIRE website (http://www.benefits.va.gov/REPORTS/aspire_dashboard.asp). The ASPIRE website was updated in October 2015 to include the VGLI performance results as of September 30, 2015. In addition, VBA added a link next to the Insurance measures to allow for customers to provide feedback which will be collected and tracked internally for the purpose of identifying the need for and making service improvements.

BUDGET IMPLICATIONS: None.

2. VA HEALTH CARE: Management and Oversight of Consult Process Need Improvement to Help Ensure Veterans Receive Timely Outpatient Specialty Care; GAO-14-808. Report provided to VA 10/30/14

RESPONSIBLE OFFICE: **Veterans Health Administration**

RECOMMENDATIONS:

- To improve VHA's ability to effectively oversee the consult process, and help ensure VAMCs are providing veterans with timely access to outpatient specialty care, the Secretary of Veterans Affairs should direct the Interim Under Secretary for Health to assess the extent to which specialty care providers across all VAMCs, including residents who may be serving on a temporary basis, are using the correct clinical progress notes to complete consults in a timely manner, and, as warranted, develop and implement system-wide solutions such as technical enhancements, to ensure this is done appropriately.
- To improve VHA's ability to effectively oversee the consult process, and help ensure VAMCs are providing veterans with timely access to outpatient specialty care, the Secretary of Veterans Affairs should direct the Interim Under Secretary for Health to enhance oversight of VAMCs by routinely conducting independent assessments of how VAMCs are managing the consult process, including whether they are appropriately resolving consults. This oversight could be accomplished, for example, by VISN officials periodically conducting reviews of a random sample of consults as we did in the review we conducted.
- To improve VHA's ability to effectively oversee the consult process, and help ensure VAMCs are providing veterans with timely access to outpatient specialty care, the Secretary of Veterans Affairs should direct the Interim Under Secretary for Health to require specialty care providers to clearly document in the electronic consult system their rationale for resolving a consult when care has not been provided.
- To improve VHA's ability to effectively oversee the consult process, and help ensure VAMCs are providing veterans with timely access to outpatient specialty care, the Secretary of Veterans Affairs should direct the Interim Under Secretary for Health to identify and assess the various strategies that all VAMCs have implemented for managing future care consults; including determining the potential effects these strategies may have on the reliability of consult data; and identifying and implementing measures for managing future care consults that will ensure the consistency of consult data.
- To improve VHA's ability to effectively oversee the consult process, and help ensure VAMCs are providing veterans with timely access to outpatient specialty care, the Secretary of Veterans Affairs should direct the Interim Under Secretary for Health to establish a system-wide process for identifying and sharing VAMCs' best practices for managing consults that may have broader applicability throughout VHA, including future care consults.
- To improve VHA's ability to effectively oversee the consult process, and help ensure VAMCs are providing veterans with timely access to outpatient specialty care, the Secretary of Veterans Affairs should direct the Interim Under Secretary for Health to develop a national policy for VAMCs to manage patient no-shows and cancelled

appointments that will ensure standardized data needed for effective oversight of consults.

ACTIONS TAKEN:

The Veterans Health Administrations (VHA) work related to (GAO-14-808) also addresses VA GAO High Risk Area 1, Ambiguous Policies and Inconsistent Processes and High Risk Area 4, Inadequate Oversight and Accountability which is cited in the Report to Congressional Committees, GAO High-Risk Series, An Update (GAO-15-290). VHA has ongoing work with policies, communications and operational procedures in efforts to standardize the consult process to improve veterans' access for quality and safety of VA health care. Since the report was publicly released, the following actions have been taken to address the recommendations:

- The Veterans Health Administration (VHA) developed new technical capability that assesses consult completion errors due to failing to link progress notes to an appointment or linking progress notes to the wrong appointment. Either of these health record data entry errors creates the false appearance of an unaddressed consult when in fact the patient has received the requested specialist care. VHA implemented national consult training with all VISNs, weekly national consult best practice/training calls to communicate the necessity for appropriately closing consults in the electronic health record. VHA also created and deployed a consult training module in the Talent Management System (TMS). During fiscal year (FY) 15, outcome data revealed a significant improvement in VHA performance.
- VHA developed a comprehensive compliance audit tool, a protocol for compliance auditing, a web application, and a database. These efforts serve to collect, store, and report on audit outcomes at each level of the organization. VHA is currently pilot testing the audit protocol and databases.
- VHA established standard operating procedures that require providers to clearly document in the electronic consult system their rationale for cancelling or discontinuing a consult. VHA established business rules on appropriate use of consult cancellation, consult discontinuation, documentation requirements for discontinuation, and situations requiring clinical judgement. VHA published guidance in early June and conducted training during July of this year on the weekly best practice/training calls, and through the consult training module in TMS.
- VHA standardized the procedures by authorizing future care consults as the only approved method for managing consult requests for care intended to take place beyond 90 days from the date the consult is created. Standardized processes improved the consistency and reliability of future care consult data allowing better oversight. National guidance on future care consults was published in April 2015 and training on future care consults was provided via individualized consult training with all Veteran Integrated Services Networks (VISNs), weekly national consult best practice/training calls, and a consult training module in TMS.
- VHA developed a system-wide process for identifying and sharing best practices for managing consults. Facilities established consult steering committees that participate in weekly national consult performance improvement calls that discuss training on consult policies and processes, review of consult performance data, and presentations

on best practices. The calls provide a forum for discussion and answering questions which are then published for reference in a Frequently Asked Questions document. VHA developed a web switchboard housing consult reports and resources, and a SharePoint page which serves as a repository for key resources for VISN consult experts, facility consult experts, and steering committee members.

- VHA developed national guidance for management of no-shows and cancelled appointments. National guidance on management of no-show appointments was issued in June 2015. Training was provided via individualized consult training with all VISNs, weekly national consult best practice calls, and a consult training module in TMS.

BUDGET IMPLICATIONS: None.

3. INFORMATION SECURITY: VA Needs to Address Identified Vulnerabilities;
GAO-15-117. Report provided to VA 11/17/14.

RESPONSIBLE OFFICE: Office of Information and Technology

RECOMMENDATIONS:

- To address previously identified security vulnerabilities, the Secretary of Veterans Affairs should fully implement the solution to address the weaknesses that led to the 2012 intrusion incident.
- To address previously identified security vulnerabilities, the Secretary of Veterans Affairs should establish time frames for completing planned initiatives to improve incident response capabilities.
- To address previously identified security vulnerabilities, the Secretary of Veterans Affairs should develop plans of action and milestones for critical and high-risk vulnerabilities affecting two key web applications.
- To address previously identified security vulnerabilities, the Secretary of Veterans Affairs should finalize and implement the policy requiring developers to conduct source code scans on key web applications
- To address previously identified security vulnerabilities, the Secretary of Veterans Affairs should apply missing critical security patches within established time frames, or in cases where security patches cannot be applied, document compensating controls or, as appropriate, longer-term plans to migrate to newer platforms, hardware, and/or technologies where security patches can be applied and new security features enabled.
- To address previously identified security vulnerabilities, the Secretary of Veterans Affairs should scan non-Windows network devices in authenticated mode.
- To address previously identified security vulnerabilities, the Secretary of Veterans Affairs should identify specific actions, priorities, and milestones for accomplishing tasks to facilitate vulnerability remediation.
- To address previously identified security vulnerabilities, the Secretary of Veterans Affairs should update the department's standard operating procedure to require evidence associated with security incidents to be maintained for at least 3 years, consistent with National Archives and Records Administration guidance.

ACTIONS TAKEN:

- To address previously identified security vulnerabilities, the Secretary of Veterans Affairs should update the department's standard operating procedure to require evidence associated with security incidents to be maintained for at least 3 years, consistent with National Archives and Records Administration guidance.

Status: Complete. This recommendation is closed-implemented. Please refer to GAO's [website](#).

- To address previously identified security vulnerabilities, the Secretary of Veterans Affairs should fully implement the solution to address the weaknesses that led to the 2012 intrusion incident.

Status: Complete. This recommendation is closed-implemented. Please refer to GAO's [website](#).

- To address previously identified security vulnerabilities, the Secretary of Veterans Affairs should establish time frames for completing planned initiatives to improve incident response capabilities.

Status: Complete. This recommendation is closed-implemented. Please refer to GAO's [website](#).

- To address previously identified security vulnerabilities, the Secretary of Veterans Affairs should develop plans of action and milestones for critical and high-risk vulnerabilities affecting two key web applications.

Status: Complete. This recommendation is closed-implemented. Please refer to GAO's [website](#).

- To address previously identified security vulnerabilities, the Secretary of Veterans Affairs should finalize and implement the policy requiring developers to conduct source code scans on key web applications.

Status: Complete. This recommendation is closed-implemented. Please refer to GAO's [website](#).

- To address previously identified security vulnerabilities, the Secretary of Veterans Affairs should apply missing critical security patches within established time frames, or in cases where security patches cannot be applied, document compensating controls or, as appropriate, longer-term plans to migrate to newer platforms, hardware, and/or technologies where security patches can be applied and new security features enabled.

Status: Complete. This recommendation is closed-implemented. Please refer to GAO's [website](#).

- To address previously identified security vulnerabilities, the Secretary of Veterans Affairs should scan non-Windows network devices in authenticated mode.

Status: In Process.

To close this recommendation, GAO requested evidence that VA is scanning its non-Windows network devices in authenticated mode. VA has established processes to enable scanning of non-windows devices with a defined set of credentials. VA is implementing the processes with a planned completion date of January 31, 2016. After implementation, VA will provide the requested evidence to GAO to support closing the recommendation.

- To address previously identified security vulnerabilities, the Secretary of Veterans Affairs should identify specific actions, priorities, and milestones for accomplishing tasks to facilitate vulnerability remediation.

Status: Complete. This recommendation is closed-implemented. Please refer to GAO's [website](#).

BUDGET IMPLICATIONS: None.

4. VA HEALTH CARE: Actions Needed to Ensure Adequate and Qualified Nurse Staff; GAO-15-61. Report provided to VA 11/17/14

RESPONSIBLE OFFICE: Veterans Health Administration

RECOMMENDATIONS:

- To help ensure adequate and qualified nurse staffing at VAMCs, the Secretary of Veterans Affairs should direct the Interim Under Secretary for Health to enhance VHA's internal controls by providing support to all VAMCs to meet the objectives of the VHA directive, including: (a) training that more clearly aligns with the needs of VAMC staff and (b) a systematic process for collecting and disseminating staffing methodology best practices.
- To help ensure adequate and qualified nurse staffing at VAMCs, the Secretary of Veterans Affairs should direct the Interim Under Secretary for Health to enhance VHA's internal controls by conducting an environmental assessment of all VAMCs, including an assessment of their data analysis needs, to determine their preparedness to implement the remaining phases of the methodology, and use that information to help guide and provide the necessary support for the implementation of the remaining phases and for the ongoing administration of the methodology.
- To help ensure adequate and qualified nurse staffing at VAMCs, the Secretary of Veterans Affairs should direct the Interim Under Secretary for Health to enhance VHA's internal controls by completing evaluations of Phase I and Phase II and make any necessary changes to policies and procedures before national implementation of Phase II in all VAMCs.
- To help ensure adequate and qualified nurse staffing at VAMCs, the Secretary of Veterans Affairs should direct the Interim Under Secretary for Health to enhance VHA's internal controls by improving the timeliness and regularity of communication with VAMCs, including unit-level staff, regarding the status of the various phases of the methodology.
- To help ensure adequate and qualified nurse staffing at VAMCs, the Secretary of Veterans Affairs should direct the Interim Under Secretary for Health to enhance VHA's internal controls by developing and implement a documented process to assess VAMCs' ongoing compliance with the staffing methodology, including assessing VAMCs' execution of staffing plans and more clearly defining the role and responsibilities of all organizational components, including Veterans Integrated Service Networks, in the oversight and administration of the methodology.

ACTIONS TAKEN:

The Veterans Health Administrations (VHA) work related to (GAO-15-61) also addresses the VA GAO High Risk Area 2, Inadequate Oversight and Accountability and High Risk Area 4, Inadequate Training for VA Staff, which is cited in the Report to Congressional Committees, GAO High-Risk Series, An Update (GAO-15-290). Our actions taken in (GAO-15-61) are related to our commitment to resolve these high risk areas and improve training for staff across the VA health care system. Since the report was publicly released, the following actions have been taken to address the recommendations:

- VHA Office of Nursing Staffing (ONS) uses a Staffing Methodology Steering Committee (SMSC) to provide advice and guidance on staffing methodology implementation. The SMSC supports the monthly National Staffing Methodology Call (NSMC). ONS developed a frequently asked questions document that is reviewed standing agenda item on the NSMC. In May 2015, VHA completed the Staffing Methodology Training Evaluation. ONS developed the Staffing Methodology Regional Consultant Program (SMRCP) and implemented it nationally in June 2015.
- ONS completed formal evaluation projects for (1) The Staffing Methodology Directive implementation and (2) The Staffing Methodology training plan. ONS created implementation tools to assist with implementation, for example: expert panel memo templates, and ratio/converter calculators. ONS distributed the Labor Management Institute (LMI) *Annual Survey of Hours Report* to all facilities. This Report provides a comparative benchmark resource for determining nursing hours per patient day. VHA incorporated training plan evaluation recommendations into the Emergency Department training outline and future training tools. ONS presented findings from both evaluation projects to the Staffing Methodology Regional Consultants (SMRCs). Recommendations related to implementation of the remaining phases and ongoing administration of the methodology are now being addressed.
- ONS conducted nine site visits on implementation and training of the staffing methodology; ONS conducts daily virtual consultations; and SMRCs provide ongoing consultation. ONS implemented an internal compliance audit review every 6 months, facilities are required to generate corrective actions plans for areas of non-compliance. ONS is developing a staffing methodology compliance memorandum to ensure consistent communication nationwide.
- ONS completed evaluation projects for (1) The Staffing Methodology Directive implementation and (2) The Staffing Methodology training plan. The outcomes of the evaluations are being incorporated into the Staffing Methodology Regional training curriculum and training approach, as well as in the Emergency Department Staffing Methodology Training. ONS is reviewing policies and procedures in preparation for national implementation of Phase II of the Nurse Staffing Methodology nationwide.
- ONS established a monthly National Staffing Methodology Call (NSMC), and a Staffing Methodology Coordinators email distribution group available to all VHA employees for field-level communications. SMRCs developed an education and training curriculum for the National Staffing Methodology Training for a regional training session and will serve as faculty members. Currently the conference package is under review by VHA Under Secretary for Health.

BUDGET IMPLICATIONS: There is an annual cost estimated at \$182,000 to detail Staffing Methodology subject matter experts as SMRCs, and an annual \$20,000 face-to-face meeting for training and fiscal year planning.

5. VETERANS' DISABILITY BENEFITS: Improvements Could Further Enhance Quality Assurance Efforts; GAO-15-50. Report provided to VA 11/19/14

RESPONSIBLE OFFICE: Veterans Benefits Administration

RECOMMENDATIONS:

- To help improve the quality of VBA's disability compensation claim decisions, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits to take steps to ensure that redistributed claims and those moved between regional offices are not underrepresented in the STAR sample.
- To help improve the quality of VBA's disability compensation claim decisions, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits to review the multiple sources of policy guidance VBA provides to determine ways to consolidate them or otherwise improve their availability and accessibility for use by staff in regional offices.
- To help improve the quality of VBA's disability compensation claim decisions, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits to increase transparency in explaining how the claim-based and issue-based accuracy rates are calculated as well as their key limitations when publicly reporting these metrics.
- To help improve the quality of VBA's disability compensation claim decisions, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits to take steps to ensure that any future upgrades to local data systems allow QRTs to pause the claims process when errors are detected and enable QRTs to better track error trends.
- To help improve the quality of VBA's disability compensation claim decisions, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits to take additional steps to evaluate the effectiveness of quality assurance activities to identify opportunities to improve or better target these activities.
- To help improve the quality of VBA's disability compensation claim decisions, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits to leverage appropriate expertise to help VBA weigh its accuracy estimates to reflect the sample design for reviewed claims.
- To help improve the quality of VBA's disability compensation claim decisions, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits to leverage appropriate expertise to help VBA determine and report the confidence intervals associated with its reported accuracy estimates.
- To help improve the quality of VBA's disability compensation claim decisions, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits to leverage appropriate expertise to help VBA re-examine its approach to calculating the regional office sample size for STAR.

ACTIONS TAKEN:

- In August 2014, the Veterans Benefits Administration (VBA) initiated a review of the accuracy sampling and reporting process. VBA finalized the statistical program to calculate weighted accuracy estimates and modified performance reports to include

confidence intervals. Beginning with the June 22, 2015, Monday Morning Workload Report, VA now weights its accuracy estimates to reflect the sample design for reviewed claims and publishes the margin or error associated with regional office and national accuracy estimates. Accuracy updates occur once a month and will include updated margins of error.

In August 2014, VBA initiated a review of the accuracy sampling and reporting process. VBA finalized the statistical program to calculate weighted accuracy estimates and modified performance reports to include confidence intervals.

VBA will report the confidence intervals associated with its reported accuracy estimates in VA's 2017 President's Budget Submission and in VA's Annual Performance Plan and Report (APP&R); both are expected to be published in February 2016. Target Completion Date: February 29, 2016.

In August 2014, VBA initiated a review of the accuracy sampling and reporting process. As a result, VBA developed a sample methodology to consider output and claims processing accuracy at each station to determine sample sizes. Effective February 2015, VBA incorporated the GAO recommended sample size formulas for the Systematic Technical Accuracy Review (STAR). VBA will periodically reassess the sample sizes to account for accuracy and workload trends that may affect them.

- VBA now captures both the office of original jurisdiction as well as the office completing the claim to ensure that this work, known as "brokered work," is not underrepresented and meets the same high-quality expectations of our compensation and pension programs. In February 2015, VBA deployed these changes to the STAR sampling methodology to ensure redistributed claims are not underrepresented in the sample. VBA now samples claims based on the office completing the claim to accurately capture both redistributed claims and non-redistributed claims.
- VBA published a statistical abstract describing the sampling, assessment criteria, accuracy calculation to include claim-level and national-level calculations for the issue-based and claim-based accuracy metrics, and reporting methodologies for claim and issue-level accuracy. The abstract also states that issue-based accuracy will be higher than claim-level accuracy due to different accuracy criteria and calculations. This abstract can be found on the Monday Morning Workload Report internet site, under the header, "[VBA Quality Assurance Sampling Methodology](#)."
- In September 2014, VBA began the process of improving the availability and accessibility of policy guidance, as well as consolidating all policy guidance references. On April 15, 2015, VBA made the Live Manual available to employees, previously referred to as the Compensation Pension Knowledge Management (CPKM). The Live Manual allows users to better search materials using a thorough key word search and is the authoritative source for claims processing guidance.

On August 10, 2015, VBA completed the Live Manual project, which improved the availability and accessibility of policy and procedural guidance by consolidating them into a single source, the M21-1 Adjudication Procedures Manual. The updated M21-1 is available and accessible for use by staff in regional offices and can be found on VBA's intranet through the Live Manual portal, originally referred to as the CPKM portal. VBA continues to update [WARMS](#) at this time; however, VA stakeholders can

also access the current M21-1 content via the [KnowVA link](#). The content found via KnowVA mirrors the content available via the Live Manual portal and is updated simultaneously.

- VBA's original plan was to create a new accuracy database that would incorporate data and consolidate reports from multiple types of quality reviews and consistency studies. However, as a result of funding issues, VBA has determined that this plan is no longer feasible. As of December 2015, VBA began to explore the option to leverage available technology and add functionality within the existing STAR database to consolidate the various quality reports at the national, district, regional office, and individual employee levels. This will allow VBA to improve the analysis of accuracy trends and help identify training opportunities for its employees. VBA expects to complete the testing phase of this new functionality by March 2016, and if the requirements are successfully validated, the enhanced functionality should be operational by July 2016. Target Completion Date: July 31, 2016.
- VBA's original plan was to create a new accuracy database that would incorporate data and consolidate reports from multiple types of quality reviews and consistency studies. However, as a result of funding issues, VBA has determined that this plan is no longer feasible. As of December 2015, VBA began to explore the option to leverage available technology and add functionality within the existing STAR database to consolidate the various quality reports at the national, district, regional office, and individual employee levels. This will allow VBA to improve the analysis of accuracy trends and help identify training opportunities for its employees. VBA expects to complete the testing phase of this new functionality by March 2016, and if the requirements are successfully validated, the enhanced functionality should be operational by July 2016. Target Completion Date: July 31, 2016.

BUDGET IMPLICATIONS: None.

6. VA HEALTH CARE: Improvements Needed in Monitoring Antidepressant Use for Major Depressive Disorder and in Increasing Accuracy of Suicide Data;
GAO-15-55. Report provided to VA 12/12/14

RESPONSIBLE OFFICE: Veterans Health Administration

RECOMMENDATIONS:

- To more accurately estimate the prevalence of MDD and identify enrolled veterans with MDD, the Secretary of Veterans Affairs should direct the Under Secretary for Health to determine and address the factor(s) contributing to the imprecise coding based on the results of those examinations. For example, feedback and additional training could be provided to clinicians regarding the importance of diagnostic code accuracy, or VA's medical record could be enhanced to facilitate the selection of a more accurate diagnostic code.
- To more accurately estimate the prevalence of MDD and identify enrolled veterans with MDD, the Secretary of Veterans Affairs should direct the Under Secretary for Health to identify the extent to which there is imprecise diagnostic coding of MDD by further examining encounters with a diagnostic code of depression not otherwise specified, which could be incorporated into VAMCs' ongoing review of diagnostic coding accuracy.
- To ensure that veterans are receiving care in accordance with the MDD CPG, the Secretary of Veterans Affairs should direct the Under Secretary for Health to implement processes to review data on veterans with MDD prescribed antidepressants to evaluate the level of risk of any deviations from recommended care and remedy those that could impede veterans' recovery.
- To improve VA's efforts to inform its suicide prevention activities, the Secretary of Veterans Affairs should direct the Under Secretary for Health to ensure that VAMCs have a process in place to review data on veteran suicides for completeness, accuracy, and consistency before the data are submitted to VA Central Office.
- To improve VA's efforts to inform its suicide prevention activities, the Secretary of Veterans Affairs should direct the Under Secretary for Health to clarify guidance on how to complete BHAP templates to ensure that VAMCs are submitting consistent data on veteran suicides.
- To improve VA's efforts to inform its suicide prevention activities, the Secretary of Veterans Affairs should direct the Under Secretary for Health to implement processes to review data on veteran suicides submitted by VAMCs for accuracy and completeness.

ACTIONS TAKEN:

The Veterans Health Administrations (VHA) work related (GAO-15-55) also addresses the VA GAO High Risk Area 2, Inadequate Oversight and Accountability and High Risk Area 4, Inadequate Training for VA Staff, which is cited in the Report to Congressional Committees, GAO High-Risk Series, An Update (GAO-15-290). Our actions taken in (GAO-15-55) are related to our commitment to resolve these high risk areas and improve

oversight and accountability and training for VA staff across the VA health care system. Since the report was publicly released, the following actions have been taken to address the recommendations:

- The Department of Veterans Affairs convened an expert panel to determine the level of agreement between VHA depression diagnosis indicators in administrative data and in chart notes. VA developed and implemented updated diagnosis entry structures and adopted ICD-10 diagnostic coding.
- VA assessed coding patterns for consistency between administrative data and clinical chart reviews- the assessment was specific to diagnostic coding of VHA patients with new episodes of depression treatment.
- The VA/DoD Evidence-Based Practice Guideline Work Group coordinates evidence based reviews specific to Major Depressive Disorder (MDD) and VA Mental Health Services; the Office of Mental Health Operations reviews these and other guidelines and metrics as resources for improving services. VA conducted analyses regarding risk associated with failure to receive Healthcare Effectiveness Data and Information Set indicated guideline concordant care. VA assesses antidepressant coverage as a focal measure of the ongoing Psychotropic Drug Safety Initiative which involves site initiatives, network monitoring, and national monitoring.
- VA examined the associations between treatment practices and indicators of Veteran recovery and/or adverse outcomes. Facility data on Veteran suicides are analyzed quarterly to assess for congruency between Suicide Prevention Application Network (SPAN) entries and Behavioral Health Autopsy Program (BHAP) chart reviews. When “mismatches” are observed between SPAN entries and BHAP chart reviews, Suicide Prevention Coordinators are informed about the “mismatch,” and are asked to explain or resolve the discrepancy.
- VHA completed multiple in person and on-line trainings with Suicide Prevention Coordinators to clarify guidance on the completion of BHAP templates to ensure that facilities submit consistent data on Veteran suicides. The template now has a checkbox for a “forced answer” to verify that leadership are aware of the review.
- A software program was developed to compare BHAP and SPAN entries and identify discrepancies in reporting Veteran deaths by suicide. This data is monitored on a quarterly basis.

BUDGET IMPLICATIONS: None.

7. MENTAL HEALTH: HHS Leadership Needed to Coordinate Federal Efforts Related to Serious Mental Illness; GAO-15-113. Report provided to VA 2/5/15

RESPONSIBLE OFFICE: Veterans Health Administration

RECOMMENDATIONS:

- To help determine if programs are effective at supporting those individuals with serious mental illness, the Secretaries of Defense, Health and Human Services, Veterans Affairs, and the Attorney General--which oversee programs targeting individuals with serious mental illness--should document which of their programs targeted for individuals with serious mental illness should be evaluated and how often such evaluations should be completed.

ACTIONS TAKEN:

The Veterans Health Administration (VHA) work related to (GAO-15-113) this report also addresses the VA GAO High Risk Area 2, Inadequate Oversight and Accountability and High Risk Area 4, Inadequate Training for VA staff, cited in the Report to Congressional Committees, GAO High-Risk Series, An Update (GAO-15-290). Our actions taken in (GAO-15-113) are related to our commitment to resolve these high risk areas and improve oversight and accountability and training for VA staff across the VA health care system. Since the report was publicly released, the following actions have been taken to address the recommendations:

- VA completed a full inventory of VA programs that serve Veterans with Serious Mental Illness (SMI). Each of those programs targeting Veterans with SMI was reviewed for program evaluation studies. Programs in need of evaluation studies were prioritized and a timeline and schedule for such studies was established. A procedure for the design and implementation of evaluation studies for Veterans with SMI was established and evaluation studies are commencing.

BUDGET IMPLICATIONS: None.

8. INFORMATION MANAGEMENT: Additional Actions Are Needed to Meet Requirements of the Managing Government Records Directive; GAO-15-339.
Report provided to VA 5/14/15

RESPONSIBLE OFFICE: Office of Information and Technology

RECOMMENDATIONS:

- To help ensure that directive requirements are met, the Secretary of Veterans Affairs should designate a Senior Agency Official at or equivalent to the level of assistant secretary who has direct responsibility for ensuring that the agency complies with applicable records management statutes, regulations, and NARA policy, including being able to make adjustments to agency practices, personnel, and funding.

ACTIONS TAKEN:

Status: Complete. This recommendation is closed-implemented. Please refer to GAO's [website](#).

BUDGET IMPLICATIONS: None.

9. TELECOMMUNICATIONS: Agencies Need Better Controls to Achieve Significant Savings on Mobile Devices and Services; GAO-15-431. Report provided to VA 5/20/15

RESPONSIBLE OFFICE: Office of Information and Technology

RECOMMENDATIONS:

- To help the department effectively manage spending on mobile devices and services, the Secretary of Veterans Affairs should ensure procedures to monitor and control spending are established department-wide. Specifically, ensure that (1) procedures include assessing devices for zero, under, and over usage; (2) personnel with authority and responsibility for performing the procedures are identified; and (3) the specific steps to be taken to perform the process are documented.

ACTIONS TAKEN:

- The Office of Information and Technology (OI&T), Service Delivery and Engineering (SDE) organization monitor mobile device use via quarterly data calls and monthly reports from mobile carriers. The VA's mobile service plan features pooled minutes. As a result, overuse is generally not an issue in terms of available minutes and potential costs from exceeding the service plan. However, the VA is pursuing more automated monitoring to compare standard assigned minutes against current usage for future planning, and to identify underused devices and opportunity to eliminate and save use costs otherwise required. OI&T SDE is also working to acquire and implement a capability for centralized management of mobile devices to ensure the VA is getting the most use overall from required mobile devices at least cost.

BUDGET IMPLICATIONS: None.

10. ENERGY SAVINGS PERFORMANCE CONTRACTS: Additional Actions Needed to Improve Federal Oversight; GAO-15-432. Report provided to VA 6/14/15

RESPONSIBLE OFFICE: Office of Asset Enterprise Management

RECOMMENDATIONS:

- To help ensure that agencies have sufficient information on the effects of changing circumstances on the performance of their ESPC portfolios, the Secretaries of Defense, Energy, and Veterans Affairs; the Attorney General; and the Administrator of the General Services Administration should establish a process to systematically evaluate their ESPC projects--including baseline assumptions about facilities' energy use, utility prices, and interest rates--to determine how their ESPC portfolios are performing and the extent to which they are achieving expected savings. Agencies could consider conducting such evaluations either after a certain number of years, or in response to events, such as changes in utility prices or market interest rates, or appropriations becoming available that could be used for modifications or terminations.

ACTIONS TAKEN:

- VA is working with contractors to obtain these estimates for existing and future contracts, in accordance with DOE guidance, where economically feasible.

For existing contracts, VA requested contractors begin using the DOE Federal Energy Management Program (FEMP) Measurement & Verification (M&V) Guidelines Version 4.0, once Version 4 became finalized. M&V Version 4.0 includes a template to measure the impact of agency actions on savings. In late November 2015, DOE finalized and published M&V Version 4.0. VA will work with contractors on issuing modifications to the existing contracts that specify the use of FEMP M&V Guidelines Version 4.0 when those modifications are deemed economically feasible and in the best interests of VA.

For ESPCs in development, VA has issued modifications to the Task Order Request for Proposal (TO-RFP) to specify the use of FEMP M&V Guidelines Version 4.0 for all M&V reports.

For future ESPCs, VA will require FEMP M&V Guidelines Version 4.0, or later versions, for all M&V reports within its TO-RFP. Target Completion Date: June 2016.

- VA participated in interagency discussions on how best to structure a portfolio level analysis. The general consensus is that collecting and tracking actual utility data with the intent of comparing it to agreed-upon contract rates will be expensive, time intensive, and will not produce actionable information. Instead, a portfolio level review should focus more around changes in facility use compared to contract terms for scope and operational baselines. In the event operational changes have occurred that have not been identified and evaluated within annual M&V reporting, VA will

explore the viability of modifying or terminating the contract accordingly. Interest rate analysis can also be conducted, although once again, agency actions will be limited to modifications (i.e. refinancing) or terminations that are economically feasible and in the best interests of VA. The ability to accomplish such modifications will depend on the terms of the loan between the contractor and the lender as well as the availability of appropriations. In some instances, those terms may restrict contractors from refinancing.

BUDGET IMPLICATIONS: None.

11. VETERANS' DISABILITY BENEFITS: VA Can Better Ensure Unemployability Decisions are Well Supported; GAO-15-464. Report provided to VA 7/2/15

RESPONSIBLE OFFICE: Veterans Benefits Administration

RECOMMENDATIONS:

- To help ensure that Total Disability Individual Unemployability (TDIU) decisions are well supported and TDIU benefits are provided only to veterans whose service-connected disabilities prevent them from obtaining or retaining substantially gainful employment, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits to update the TDIU guidance to clarify how rating specialists should determine unemployability when making TDIU benefit decisions. This updated guidance could clarify whether factors such as enrollment in school, education level, and prior work history should be used and if so, how to consider them; and whether or not to assign more weight to certain factors than others. Updating the guidance would also give VBA the opportunity to re-examine the applicability, if at all, of other factors it has identified as extraneous.
- To help ensure that TDIU decisions are well supported and TDIU benefits are provided only to veterans whose service-connected disabilities prevent them from obtaining or retaining substantially gainful employment, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits to verify the self-reported income provided by veterans (a) applying for TDIU benefits and (b) undergoing the annual eligibility review process by comparing such information against IRS earnings data, which VBA currently has access to for this purpose. VA could also explore options to obtain more timely earnings data from other sources to ensure that claimants are working within allowable eligibility limits
- To help ensure that TDIU decisions are well supported and TDIU benefits are provided only to veterans whose service-connected disabilities prevent them from obtaining or retaining substantially gainful employment, in light of VA's agreement with the recommendations made by the Advisory Committee on Disability Compensation, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits to develop a plan to study the complex TDIU policy questions on (1) whether age should be considered when deciding if veterans are unemployable and (2) whether it is possible to disallow TDIU benefits for veterans whose vocational assessment indicated they would be employable after rehabilitation.
- To help ensure that TDIU decisions are well supported and TDIU benefits are provided only to veterans whose service-connected disabilities prevent them from obtaining or retaining substantially gainful employment, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits to identify other quality assurance approaches that will allow the agency to conduct a comprehensive assessment of TDIU benefit claim decisions. The approach should allow VBA to assess if decisions are complete, accurate, and consistent, and ascertain the root causes of any significant variation so that the Veterans Benefits Administration (VBA) can take corrective actions as appropriate. This effort could be informed by the approaches VBA uses to assess non-TDIU claims.

ACTIONS TAKEN:

- After VBA's internal review of its individual unemployability (IU) policy and procedural guidance, VBA determined any new guidance to consider age as a factor or to decide IU entitlement based on vocational assessments would require regulatory and/or legislative change. In July 2015, VBA expanded the scope of its review to explore the feasibility of conducting a cost-neutral, internal study on IU. VBA has tentatively defined the scope of this study, which is pending internal VBA and department-level review and approval. If this internal study on IU is approved, VBA anticipates that the study will begin in fiscal year (FY) 2016 and take approximately one year to complete, after which time VBA will seek any regulatory and program changes based on the study's recommendations. Target Completion Date: September 30, 2017.
- VBA began tracking a new subcategory on the IPR checklist in July 2015 to assess whether IU claims are granted or denied correctly. During the fourth quarter of FY 2015, regional offices completed 40,512 IPRs. Of those, 126 IU-related errors (less than one percent of IPRs completed) were cited. VBA will continue to use IPRs and consistency studies to assess if IU decisions are complete, accurate, and consistent, and take corrective actions when warranted. VBA considers this recommendation fully implemented.
- VA plans to implement an upfront verification process by June 30, 2016. VBA has reinstituted the data match agreement with SSA and will begin an annual review to compare the reported income of IU beneficiaries to earnings actually received. VBA plans to re-implement the annual review beginning in September 2016 and will conduct one each September thereafter. Target Completion Date: September 30, 2016.
- VBA has completed its internal review of IU policies and concluded that no immediate changes to its current guidance are necessary. VBA does not have the statutory authority to consider "age" as a factor. Further, VBA has determined that rendering entitlement determinations of IU based on vocational assessments would require regulatory change.

As noted in our response to recommendation 1, in July 2015, VBA expanded the scope of its review to explore the feasibility of conducting a cost-neutral, internal study on IU. VBA has tentatively defined the scope of this study, which is pending internal VBA and department-level review and approval. If this internal study on IU is approved, VBA anticipates that the study will begin in FY 2016 and take approximately one year to complete, after which time VBA will seek any regulatory and program changes based on the study's recommendations. Target Completion Date: September 30, 2017.

BUDGET IMPLICATIONS: None.

12. VETERANS AFFAIRS CONTRACTING: Improved Oversight Needed for Certain Contractual Arrangements; GAO-15-581. Report provided to VA 7/16/15

RESPONSIBLE OFFICE: Office of Acquisitions, Logistics,
and Construction

RECOMMENDATIONS:

- To ensure consistent implementation and documentation of actions relating to interagency agreements, the Secretary of Veterans Affairs should ensure that planned training on interagency agreements reaches the full range of program and contracting officials, particularly those who only occasionally award interagency agreements.
- To ensure consistent implementation and documentation of actions relating to FFRDC task orders, the Secretary of Veterans Affairs should develop a strategy to ensure that all FFRDC contract actions, including those awarded to non-MITRE FFRDCs outside the Technology Acquisition Center, are reviewed according to the requirements of VA's FFRDC Governance Plan.
- To ensure consistent implementation and documentation of actions relating to FFRDC task orders, the Secretary of Veterans Affairs should require contracting officers to document in the contract files (1) pre-award reviews to determine whether proposed task order requirements meet VA's criteria for award to an FFRDC, (2) how they determined the FFRDC's proposed pricing was acceptable, and (3) any price negotiation.
- To ensure consistent implementation and documentation of actions relating to FFRDC task orders, the Secretary of Veterans Affairs should re-assess whether to continue paying a fixed fee on travel costs for FFRDC contracts and task orders.
- To ensure consistent implementation and documentation of actions relating to interagency agreements, the Secretary of Veterans Affairs should (1) revise policies on interagency agreements to clarify which interagency transactions must be recorded in VA's Electronic Contract Management System (eCMS), and (2) improve the completeness of interagency agreements recorded in eCMS, which could include implementing procedures to routinely check eCMS data against transaction data in VA's accounting system.

ACTIONS TAKEN:

- To ensure consistent implementation and documentation of actions relating to interagency agreements, VA is drafting the training presentation for the acquisition community in tandem with the development of the revised policy memorandum to clarify the recording requirement of interagency transactions and improve the completeness of our agreement records.
- Regarding VA's strategy to ensure that all FFRDC contract actions, including those awarded to non-MITRE FFRDCs outside the Technology Acquisition Center are reviewed according to the requirements of VA's Federally Funded Research and Development Center (FFRDC) Governance Plan, VA implemented a governance process and published the "Compliance Enforcement of the 2015 Department of

Veterans Affairs Federally Funded Research and Development Center Governance Plan” in September 2015 and requested closure of this recommendation.

- Regarding the requirements for contracting officers to document: (1) pre-award reviews to determine whether proposed task order requirements meet VA's criteria for award to an FFRDC, (2) how they determined the FFRDC's proposed pricing was acceptable, and (3) any price negotiation, VA established the policy requiring inclusion of a memo documenting the Acquisition Integrated Process Team (AIPT) meeting in FFRDC task order files. For ease of reference, VA added the policy and a sample AIPT memo in our Technical Acquisition Deskbook. Additionally, contracting officers are required to document the results of pre-solicitation conferences, the analysis of the level of effort and labor mix, and any formal negotiation in the Price Negotiation Memorandum (PNM). VA also requested closure of this recommendation.
- Regarding fixed fee travel costs, VA entered into negotiations with MITRE to change the contract terms so that the fee is not calculated based on estimated travel costs. Secondly, VA is working to gain the support of other Government agencies in this regard to include the Air Force Corporate Administrative contracting officer, and the Internal Revenue Service FFRDC contracting officer, with whom VA co-sponsors the agreement with MITRE. Finally, VA is analyzing historical travel costs and estimating the amount of fee that would be lost by MITRE, by removing travel costs from the 4 percent fee calculation, to determine a negotiation objective. MITRE is also required to report on the use of fee. VA can use the estimated amount of fee lost, and the understanding of MITRE's use of fee, to ensure any change is fair and reasonable. Negotiations with MITRE are ongoing.
- To clarify the recording requirement of interagency transactions and improve the completeness of our agreement records, VA initiated the revision of Procurement Policy Memorandum (PPM) 2013-06 to clearly identify the interagency transactions that must be recorded in VA's Electronic Management System (eCMS). The PPM revision will incorporate the requirement for contracting officers to manually check and reconcile, on a routine basis, eCMS data against the transaction data in VA's accounting system. Formal details of the procedure will be finalized based on comments received during staffing and coordination.

BUDGET IMPLICATIONS: None.

13. ELECTRONIC HEALTH RECORDS: Outcome-Oriented Metrics and Goals Needed to Gauge DOD's and VA's Progress in Achieving Interoperability; GAO-15-530. Report provided to VA 8/14/15

RESPONSIBLE OFFICE: Office of Information and Technology

RECOMMENDATIONS:

- To facilitate oversight and inform decision making regarding their respective department's interoperability-related activities, the Secretaries of Defense and Veterans Affairs, working with the Interagency Program Office, should establish a time frame for identifying outcome-oriented metrics.
- To facilitate oversight and inform decision making regarding their respective department's interoperability-related activities, the Secretaries of Defense and Veterans Affairs, working with the Interagency Program Office, should ensure related goals are defined to provide a basis for assessing and reporting on the status of interoperability-related activities and the extent to which interoperability is being achieved by the departments' modernized electronic health record systems.
- To facilitate oversight and inform decision making regarding their respective department's interoperability-related activities, the Secretaries of Defense and Veterans Affairs, working with the Interagency Program Office, should update IPO guidance to reflect the metrics and goals identified.

ACTIONS TAKEN:

- With the cooperation of the Departments, the IPO has targeted Q4FY16 to produce the first baseline of outcome-based metrics. In July 2015, VA OI&T ASD/PPM developed its solution plan and established the Performance Architecture Program (PAP) approach for measuring interoperability-related and IT outcomes, including a documented method (i.e., steps to be followed) to create standards-based technical metrics that are *measurable, meaningful, repeatable, consistent, actionable*, and to demonstrate from a value perspective how interoperability, and any OI&T product delivered makes a “measurable change in business performance”.

The Performance Architecture Program completed the five necessary components for creating an effective approach toward identifying outcome-oriented metrics, measuring, tracking and reporting progress. The five components of our approach is as follows:

1. Performance Architecture Program Execution Plan:
 - a. Provides concepts, processes, implementation plan, and integration with Project Management Accountability System (PMAS) and ProPath
2. Interoperability Milestones and Metrics document:
 - a. Defines interoperability-related metrics and milestones aligned with the Joint Interoperability Plan (JIP) objectives
3. Performance Architecture Metrics Dictionary:
 - a. Provides Enterprise technical metrics, Technical metrics applied to products, and linkage to business objectives / KPIs

4. Performance Architecture Monitoring and Reporting Plan:
 - a. Details the monitoring approach to outcome-oriented metrics, status of how systems are monitored, capabilities assessment of existing monitoring, and monitoring data (baselines) for interoperability
5. Performance Architecture Review Checklist:
 - a. Assessment to determine system compliance of Technical Metrics and KPIs in relation to the OI&T ASD approved Enterprise Metrics

The Performance Architecture Program continues to establish OI&T Enterprise Technical Metrics and Technical Key Performance Indicators (KPI) relationship with program Critical Success Factors (CSFs) and modernization efforts to support VA's Blueprint for Excellence, MyVA Vision, OI&T Strategy and VA CIO's Five Strategic Priorities. This program will continue to mature as VA moves forward to transform IT systems to achieve OneVA Enterprise Architecture.

- VA OI&T ASD PPM Performance Architecture Program provides standardized Enterprise Metrics and Technical Key Performance Indicators to also measure the extent to which interoperability is being achieved by modernization efforts. The PAP establishes the framework for evidence-based systems development, monitoring and reporting to improve IT efficiency, performance and interoperability between Departments. The framework is used by VA initiatives and programs that apply the Project Management Accountability System and ProPath to document technical requirements, technical specifications and Service Level Agreements (SLAs). This standards-based process ensures developed and deployed systems perform as required, and contribute to overall business goals, interoperability and delivery of expected outcome-oriented results.

Performance Architecture Program Results (as of 15 SEP 2015):

1. Created Enterprise Technical Metrics (including interoperability-related).
2. Developed Technical Metrics focused on two types of technical KPIs (User and Diagnostic) to identify outcome-oriented metrics and linkage to business goals.
 - a. User Perspective Technical KPIs measure the user's experience executing daily business activities and functions using IT systems, with focus on reliability, efficiency, accuracy and interoperability.
 - b. Systems Diagnostic Technical KPIs measure the technical backend performance of the IT systems and products to ensure they are properly working and functioning, which has an indirect impact on the frontend user experience.
3. Defined measurement plans and protocols detailing collection, measures, tracking management, and timeframes for reporting interoperability metrics.

The Performance Architecture Program has developed a Monitoring and Reporting Plan and Metrics Dictionary, which combined provide the basis for success in establishing Enterprise Metrics, Technical Metrics and KPIs. This methodology clearly demonstrates the IT capability relationship with defined business goals to

assess and report on the status of interoperability-related activities achieved by modernization efforts.

Additionally, the IPO continues to collect already established metrics to show progress toward interoperability. In addition, based on quarterly summits and weekly meetings with the Departments, the IPO will establish more meaningful metrics to show progress toward interoperability and produce outcome-based metrics to show empirical progress.

- The DoD/VA IPO EXCOM recognizes the challenges in defining outcome-oriented interoperability metrics and has approved baseline HDI metrics beginning with FY15Q4 reporting, with the caveat to aim towards more outcome-oriented metrics. The IPO has initiated weekly outcome-oriented metrics planning meetings with the Departments. With the cooperation of the Departments, the IPO will continue to review and where appropriate, update the IPO's guidance documentations to reflect metrics and goals.

On December 2, 2015, VA followed up with GAO to confirm if they had closed the three recommendations.

Below is GAO's response received on December 4, 2015:

While the letter provided important information, we will also need documentation to support the actions described so we may conduct further review. For example, the letter referred to:

1. Performance Architecture Program Execution Plan
2. Interoperability Milestones and Metrics document
3. Performance Architecture Metrics Dictionary
4. Performance Architecture Monitoring and Reporting Plan
5. Performance Architecture Review Checklist

Once we can review the documentation mentioned above, we will have a better idea of the progress made toward closing the recommendations from this report.

On Mon., December 14, 2015, OI&T submitted items 1, 2, 3 and 5 to GAO. Item 4 will be provided once cleared by departmental coordination.

BUDGET IMPLICATIONS: None.

14. VA HEALTH CARE: Actions Needed to Assess Decrease in Root Cause Analyses of Adverse Events; GAO-15-643. Report provided to VA 8/28/15

RESPONSIBLE OFFICE: Veterans Health Administration

RECOMMENDATIONS:

- To ensure that appropriate steps are being taken to address the root causes of adverse events within VHA, the Secretary of Veterans Affairs should direct the Under Secretary for Health to conduct an analysis of the declining number of completed RCAs within the VA health care system, including identifying contributing factors, and take appropriate actions to address them.
- To ensure that appropriate steps are being taken to address the root causes of adverse events within VHA, the Secretary of Veterans Affairs should direct the Under Secretary for Health to determine the extent to which VAMCs are using alternative processes to address the root causes of adverse events when an RCA is not required, and collect information from VAMCs on the number and results of those alternative processes.

ACTIONS TAKEN:

The Veterans Health Administrations (VHA) work related to (GAO-15-643) also addresses VA GAO High Risk Area 2, Inadequate oversight and accountability and 4, Inadequate training for VA Staff which is cited in the Report to Congressional Committees, GAO High-Risk Series, An Update (GAO-15-290). VHA has ongoing work with policies, communications and operational procedures in efforts to standardize the Root Cause Analyses of Adverse Events to improve veterans' quality and safety of VA health care. Since the report was publicly released, the following actions have been taken to address the recommendations:

- VA National Center for Patient Safety (NCPS) analyzed the relationship between the decrease of RCAs and possible contributing factors. The contributing factors include the realignment of facility Patient Safety Managers (PSMs) under Quality Management, the consistent 25 percent yearly turn-over rate of PSMs nationwide, a reduction of RCAs related to outpatient suicides/par suicides after such reviews were delegated to the facility suicide prevention coordinators instead of the PSMs (222 RCAs in 2010, to 94 in 2014), and finally the restriction of the number of site visits due to budget constraints. As a result of VA's proactive evaluation, NCPS modified the fiscal year (FY) 15 Cornerstone Program, which now weighs safety reports entered into the database (WebSPOT) per 10,000 Unique Patients; this effort has increased the number of RCAs.
- The survey results validate VA's tenet that preventing adverse events can be achieved through different methods at VA medical facilities because local staff understand and address local problems better than can be done from headquarters. Then and now, it is necessary for VA administrative and clinical staff members to have a clear picture as to what is actually happening in their health care settings, so that appropriate steps can be taken to prevent harm to patients.

- NCPS developed a survey/questionnaire in collaboration with a team of Veterans Integrated Service Network Patient Safety Officers. Of 152 medical centers, 132 (86 percent) responded that they utilize complementary tools to uncover and mitigate events that do not require them to perform an RCA. The overwhelming majority of the facilities use several tools, such as LEAN, Healthcare Failure Modes and Effect Analysis, or service line reviews. Survey findings reveal that 90-percent use service line, HFMEA, and LEAN as methods for tracking actions and outcomes. Most facilities believe that utilizing the service line, HFMEA and Lean processes have improved the patient care process and have the best process for disseminating lessons learned.

BUDGET IMPLICATIONS: None.

15. INFORMATION TECHNOLOGY REFORM: Billions of Dollars in Savings Have Been Realized, but Agencies Need to Complete Reinvestment Plans; GAO-15-617. Report provided to VA 9/15/15

RESPONSIBLE OFFICE: Office of Information and Technology

RECOMMENDATIONS:

- To improve the department's IT savings reinvestment plans, the Secretary of Veterans Affairs should direct the CIO to ensure that the department's integrated data collection submission to OMB includes, for all reported initiatives, complete plans to reinvest any resulting cost savings and avoidances from OMB-directed IT reform-related efforts.

ACTIONS TAKEN:

- The Office of Information and Technology is in the process of establishing an Enterprise Program Management Office (EPMO) to closely monitor program performance, delivery, cost, schedule, return on investment and total cost of ownership which will enable reinvestment opportunities. We anticipate that the initial EPMO Framework will be in place by the third quarter of fiscal year 2016 and identification of processes will begin to ensure that all “data collection submission to OMB includes, for all reported initiatives, complete plans to reinvest any resulting cost savings and avoidances from OMB-directed IT reform-related efforts.”

BUDGET IMPLICATIONS: The EPMO will achieve initial operating capability on/about February 1, 2016. The final budget transfer to this organization is projected to occur by April 2016. We anticipate no net increase in budget requirements to implement this recommendation; however, as the processes and personnel are not yet in place for this organization there may be additional requirements to implement these actions.

16. VETERANS BENEFITS MANAGEMENT SYSTEM: Ongoing Development and Implementation Can Be Improved; Goals Are Needed to Promote Increased User Satisfaction; GAO-15-582. Report provided to VA 9/15/15

RESPONSIBLE OFFICE: **Veterans Benefits Administration
Office of Information and Technology**

RECOMMENDATIONS:

- To improve VA's efforts to effectively complete the development and implementation of VBMS, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits and the Chief Information Officer to develop an updated plan for VBMS that includes (1) a schedule for when VBA intends to complete development and implementation of the system, including capabilities that fully support disability claims, pension claims, and appeals processing and (2) the estimated cost to complete development and implementation of the system.
- To improve VA's efforts to effectively complete the development and implementation of VBMS, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits and the Chief Information Officer to establish goals for system response time and use the goals as a basis for periodically reporting actual system performance.
- To improve VA's efforts to effectively complete the development and implementation of VBMS, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits and the Chief Information Officer to reduce the incidence of high- and medium-priority level defects that are present at the time of future VBMS releases.
- To improve VA's efforts to effectively complete the development and implementation of VBMS, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits and the Chief Information Officer to develop and administer a statistically valid survey of VBMS users to determine the effectiveness of steps taken to make improvements in users' satisfaction.
- To improve VA's efforts to effectively complete the development and implementation of VBMS, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits and the Chief Information Officer to establish goals that define customer satisfaction with VBMS and report on actual performance toward achieving the goals based on the results of GAO's survey of VBMS users and any future surveys VA conducts.

ACTIONS TAKEN:

- The Department of Veterans Affairs (VA) is committed to its mission of ensuring timely delivery of benefits to Veterans, and the Veterans Benefits Management System (VBMS) is a critical component of meeting that mission. VA's success in deploying VBMS demonstrates that the government can deliver large information technology projects using iterative, agile methodology. VBMS is now in use by all claims processors at all Veterans Benefits Administration (VBA) regional offices. Because VBMS has proven so successful in helping claims processors in the delivery of benefits to Veterans, VA decided to expand the scope of VBMS based on programmatic and business needs to ensure successful mission delivery.

The initial vision of VBMS was to provide an electronic document repository for storing scanned paper documents and to allow VBA employees to access claims information and evidence electronically. As VA identified opportunities for improving the claims process electronically in alignment with transformation goals, the vision for VBMS expanded. VBMS continued to evolve, and funding followed accordingly. VA has a robust prioritization process in which funding decisions are made based on mission outcomes. The VBMS cost-control plan is based on VBA business requirements and managed in alignment with project funding for each fiscal year. The VBMS Office of Information and Technology team forecasts development capacity and manages cost based on VA strategic goals.

VA recognizes the need to continue to invest in “next generation” VBMS. Specifically, the long-term vision for the VBMS program will involve transitioning from an application-centric model to one focused on delivering enterprise business capabilities. The VA will capitalize on investments to date to achieve Department-wide interoperability goals and will evaluate a new investment for fiscal year 2018. Target Completion Date: February 2017.

- VBMS OI&T recognizes the importance of defining VBMS system performance goals and reporting on the program’s ability to meet them. At the onset of fiscal year 2015, the VBMS Program Management Office (PMO) developed several performance metrics that are reported monthly in the Office of Management and Budget (OMB) Federal IT Dashboard and VA’s Project Management Accountability System. One of these performance metrics is the target operational average response time for VBMS transactions at subscribing VA regional offices.

While VBMS response times have consistently improved due to a concerted and focused effort on engineering with performance improvements and system stability as the goal, the VBMS PMO continues to pursue opportunities for improvement. VBMS is currently participating in a review of the VBMS Service Level Agreement (SLA) with OI&T Customer Relationship Management (CRM) and the Service Level Management Board (SLMB). The goal of the SLA review is to establish metrics that firmly cement VBMS targets in the 95th percentile. Extracted from the draft VBMS SLA, Table 1 below represents the draft performance metrics on measured work events.

Table 1 – VBMS Key Performance Indicators

KPI and Service Level Target (all times in seconds)			
<u>KPI Work Event Description</u>	<u>Target Time</u>	<u>June 2015 Actual Time</u>	<u>July 2015 Actual Time</u>
1: <i>claimDetail</i>	7	7	5
2: <i>eFolder</i>	11	8	9
3: <i>establishClaim</i>	3	3	3
4: <i>veteranProfile</i>	8	7	7
5: <i>workQueueInbox</i>	10	11	14

The times presented are maximum performance targets as expected by VBA, but lower times are desired. Each target represents an average of the current 95th percentile throughput for each described Key Performance Indicator (KPI), meaning that 95 percent of all transactions currently happen at or below this threshold.

As part of the ongoing SLA review, the VBMS PMO will maintain targets for each KPI and add these metrics to the monthly reports in the OMB Federal IT Dashboard beginning January 1, 2016. These targets will be designed to set expectations for users and provide a baseline for performance goals, and establish engineering protocols that ensure the system can maintain the same level of performance through the end of development and the future state of VBMS.

The VA Service Level Management Board (SLMB) completed its review of the VBMS Service Level Agreement (SLA) on November 2, 2015. The review resulted in several action items for resolving and clarifying the VBMS SLA requirements, including a recommendation to refine the VBMS Key Performance Indicators (KPIs). The VBMS Program Management Office (PMO) will be meeting with the SLMB the week of January 16, 2016, to discuss these action items. At this time, no changes have been made to the current VBMS KPIs, and performance metrics are already reported to OMB on a monthly basis. The new target date for completion of action items related to the SLMB review is June 16, 2016.

Target Completion Date: June 16, 2016

- VBMS OI&T sets aside a certain level of effort during each development cycle to specifically address the defect backlog and decrease the overall total defects in each release cycle. Iterative testing promotes defect discovery and resolution early rather than at the end of the release development cycle and enables OI&T more time to resolve defects prior to production. The VBMS Defect Management Plan describes the process for defining the severity and priority of defects against other defects and new features. The process takes into account aging defects by reevaluating their priority for each software release. The impact of each defect is judiciously examined and assessed by VBA and assigned a priority based on that assessment. Workarounds are developed

with the user in mind. Factors such as efficiency and impact to the claims process are strongly considered.

As a standard operating procedure, VBMS does not release high priority level defects into production. Any defects categorized as high priority must have an approved and documented workaround and assigned to a release for resolution. Medium priority level defects do not impact the business from accomplishing their task, but may add inconveniences which may add effort or time. Medium priority level defects by definition have an acceptable, documented work around but are not assigned to a release for resolution. Instead, they are put in the defect backlog and there is a level of effort (i.e., percentage) allocated for each release that dedicates time/resources to resolving these defects.

The VBMS PMO provides various channels for customer feedback, including stakeholder reengagement, user acceptance testing, requirements and design sessions, a post-deployment command center, super user training, change management agent calls, Under Secretary for Benefits pulse check calls, and the national Transformation Chat. VBMS uses feedback gathered through these mechanisms to evaluate for implementation, and uses enhancement requests from end users for possible inclusion in a future release.

The VBMS PMO has a strong desire to obtain customer satisfaction from all end users, to include claims processors, Veterans Health Administration clinicians, and other stakeholders. The VBMS PMO is working with the Office of Field Operations and labor partners regarding the distribution of a survey, as well as the specific items to be assessed by this survey. Therefore, the VBMS PMO expects to release a survey in March 2016 to measure end users' satisfaction. Target Completion Date: March 31, 2016.

VBMS and its partners will establish goals and develop appropriate reporting after all survey results are received and analyzed to include the ones from this report. Target Completion Date: July 31, 2016.

BUDGET IMPLICATIONS: None

17. ADAPTIVE SPORTS GRANT PROGRAM: VA Has Taken Steps toward Better Grantee Selection and Oversight, but Additional Actions Needed; GAO-15-791.
Report provided to VA 9/28/15

RESPONSIBLE OFFICE: Office of Public Affairs

RECOMMENDATIONS:

- To help ensure the best use of the VA Adaptive Sports Grant program funds, the Secretary of Veterans Affairs should direct the Undersecretary for Public and Intergovernmental Affairs to systematically gather and disseminate, to all its grantees, techniques that can reduce the no-show rate at funded events.
- To help ensure the best use of the Department of Veterans Affairs (VA) Adaptive Sports Grant program funds, the Secretary of Veterans Affairs should direct the Undersecretary for Public and Intergovernmental Affairs to revise the draft monitoring plan to include guidance on the number and frequency of annual site visits and desk audits.

ACTIONS TAKEN:

- As part of its final grant monitoring plan, the Department of Veterans Affairs (VA) has committed to conducting site visits and/or desk audits for a minimum of ten percent of grantees during the fiscal year. With 86 grants awarded during FY15, this amounts to a minimum of nine site visits and/or desk audits. VA will schedule four site visits and/or desk audits that will be completed prior to the end of the second quarter. VA will conduct the remainder of site visits and/or desk audits during the third and fourth quarters of FY15.
- VA is directing all grantees to provide information in their annual report regarding their policies, tools, and experiences with registered participants that do not show for events, and measures taken to reduce such no-show incidents. VA will analyze input from all grantees to determine best techniques, and disseminate information, tools, and recommended action to current and future grantees, as well as partnering VA facilities. The effectiveness of this process will be determined by the reduction in no-show rates for events in FY2016 and beyond.

BUDGET IMPLICATIONS: None.



High-Risk Areas Identified by GAO

The U.S. Government Accountability Office (GAO) evaluates VA's programs and operations. In February 2015, GAO issued an update to its High-Risk Series (GAO-15-290). The GAO-identified High-Risk Areas (HRAs) that are specific to VA are summarized below. In response to each of the HRAs, the Department has provided the following:

- *Estimated resolution timeframe (fiscal year)* for VA to eliminate each HRA
- *Responsible Agency Official* for each HRA
- *Completed 2015 milestones* in response to the HRA
- *Planned 2016 milestones* along with *estimated completion quarter*

High-Risk Area		Estimated Resolution Timeframe (Fiscal Year)	Page #
No.	Description		
GAO 1	Managing Risks and Improving VA Health Care (VHA)	2016 - 2018	III-117
GAO 2	Improving the Management of IT Acquisitions and Operations (OIT)	Continuing Resolution	III-125
GAO 3	Improving and Modernizing Federal Disability Programs (VBA)	2016	III-127
	Appendix		

The Department's responses were published in its 2015 Annual Financial Report (AFR) published in November 2015.

The AFR is available online at: <http://www.va.gov/finance/afr/index.asp>. The GAO High-Risk section of the AFR can be accessed on page III-115.

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Major Management Challenges Identified by the OIG

The Department's Office of Inspector General (OIG), an independent entity, evaluates VA's programs and operations. The OIG submitted the following update of the most serious management challenges facing VA. This update was incorporated within the Department's 2015 Annual Financial Report (AFR) published in November 2015.

The Department reviewed the OIG's report and provided responses specific to each identified challenge. These responses, provided in the AFR, include the following for each Major Management Challenge (MMC):

- *Estimated resolution timeframe (fiscal year)* to resolve the challenge
- *Responsible Agency Official* for each challenge area
- *Completed 2015 milestones* in response to the challenges identified by the OIG

The AFR is available online at: <http://www.va.gov/finance/afr/index.asp>. The MMC section of the AFR can be accessed on page III-58.

The table below lists the OIG-identified MMCs for 2015.

Major Management Challenge		Estimated Resolution Timeframe (Fiscal Year)	Page #
No.	Description (Responsible Office)		
OIG 1	Health Care Delivery (VHA)		
1A	Quality of Care (VHA)	2016	III-60
1B	Access to Care (VHA)	2016	III-67
1C	Care for Homeless Veterans (VHA)	2015	III-71
OIG 2	Benefits Processing (VBA)		
2A	Improving the Accuracy of Claims Decisions (VBA)	2016	III-75
2B	Improving Data Integrity and Management Within the VA Regional Offices (VBA)	2016	III-79
2C	Improving Management of the Fiduciary Program (VBA)	2016	III-82
OIG 3	Financial Management (OM,OIT,VHA,VBA)		
3A	Compliance with the Improper Payments Elimination and Recovery Improvement Act (OM,VHA,VBA)	2016	III-86
3B	Improving Management of Appropriated Funds (OM,OIT,VHA)	2015	III-89

Major Management Challenge		Estimated Resolution Timeframe (Fiscal Year)	Page #
No.	Description (Responsible Office)		
OIG 4	Procurement Practice (OALC,VHA)		
4A	Improving Contracting Practices (OALC,VHA)	2015 (OALC, OPIA) 2016 (VHA)	III-93
4B	Improving Oversight of Patient Centered Community Care Contracts (OALC,VHA)	2015 (OALC) 2016 (VHA)	III-96
OIG 5	Information Management (OIT)		
5A	Develop an Effective Information Security Program and System Security Controls (OIT)	2016	III-98
5B	Improving Compliance with Federal Financial Management Improvement Act (OIT)	Unknown	III-102
5C	Improving Accountability and Oversight of the Project Management Accountability System (OIT)	2015	III-104

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Expenditures by States

<i>Amounts Included in FY 2017 President's Budget</i>			
(dollars in thousands)			
	2015	2016	2017
	Actuals	Estimates	Estimates
Alabama			
Compensation and pensions	1,856,515	2,093,221	2,207,301
Readjustment benefits	217,278	244,981	258,332
General operating expenses	37,450	42,225	44,526
Medical and construction programs	961,830	1,084,463	1,143,567
Insurance and indemnities	24,418	27,531	29,032
Total	\$3,097,491	\$3,492,421	\$3,682,758
Alaska			
Compensation and pensions	247,524	279,083	294,293
Readjustment benefits	72,262	81,475	85,916
General operating expenses	8,107	9,141	9,639
Medical and construction programs	211,946	238,969	251,993
Insurance and indemnities	2,642	2,979	3,141
Total	\$542,481	\$611,647	\$644,982
Arizona			
Compensation and pensions	1,652,047	1,862,683	1,964,199
Readjustment benefits	407,882	459,887	484,951
General operating expenses	79,843	90,023	94,929
Medical and construction programs	1,388,106	1,565,090	1,650,387
Insurance and indemnities	37,466	42,243	44,545
Total	\$3,565,344	\$4,019,925	\$4,239,011
Arkansas			
Compensation and pensions	1,037,492	1,169,772	1,233,525
Readjustment benefits	88,986	100,332	105,800
General operating expenses	30,086	33,922	35,771
Medical and construction programs	945,388	1,065,925	1,124,018
Insurance and indemnities	14,966	16,874	17,794
Total	\$2,116,918	\$2,386,825	\$2,516,907
California			
Compensation and pensions	6,552,100	7,387,493	7,790,111
Readjustment benefits	1,786,146	2,013,880	2,123,636
General operating expenses	195,904	220,882	232,920
Medical and construction programs	5,863,233	6,610,795	6,971,084
Insurance and indemnities	168,465	189,944	200,296
Total	\$14,565,848	\$16,422,994	\$17,318,047

<i>Amounts Included in FY 2017 President's Budget</i>			
(dollars in thousands)			
	2015	2016	2017
	Actuals	Estimates	Estimates
Colorado			
Compensation and pensions	1,490,936	1,681,030	1,772,646
Readjustment benefits	391,311	441,203	465,249
General operating expenses	60,068	67,727	71,418
Medical and construction programs	3,709,081	4,181,989	4,409,907
Insurance and indemnities	36,677	41,353	43,607
Total	\$5,688,073	\$6,413,302	\$6,762,827
Connecticut			
Compensation and pensions	435,226	490,717	517,461
Readjustment benefits	107,651	121,377	127,992
General operating expenses	15,455	17,426	18,375
Medical and construction programs	632,518	713,164	752,031
Insurance and indemnities	22,613	25,496	26,886
Total	\$1,213,463	\$1,368,180	\$1,442,745
Delaware			
Compensation and pensions	204,297	230,345	242,899
Readjustment benefits	36,680	41,357	43,611
General operating expenses	3,328	3,752	3,957
Medical and construction programs	217,703	245,460	258,838
Insurance and indemnities	4,472	5,042	5,317
Total	\$466,480	\$525,956	\$554,621
District of Columbia			
Compensation and pensions	88,498	99,781	105,220
Readjustment benefits	29,182	32,903	34,696
General operating expenses	2,436,002	2,746,592	2,896,282
Medical and construction programs	2,642,386	2,979,290	3,141,662
Insurance and indemnities	3,507	3,954	4,170
Total	\$5,199,575	\$5,862,521	\$6,182,028
Florida			
Compensation and pensions	5,626,995	6,344,437	6,690,209
Readjustment benefits	1,021,331	1,151,551	1,214,310
General operating expenses	152,603	172,060	181,437
Medical and construction programs	4,789,900	5,400,612	5,694,946
Insurance and indemnities	135,627	152,919	161,254
Total	\$11,726,456	\$13,221,579	\$13,942,155
Georgia			
Compensation and pensions	3,112,295	3,509,113	3,700,359
Readjustment benefits	508,282	573,088	604,321
General operating expenses	106,659	120,258	126,812
Medical and construction programs	1,617,585	1,823,827	1,923,226
Insurance and indemnities	53,167	59,946	63,213
Total	\$5,397,988	\$6,086,231	\$6,417,931

<i>Amounts Included in FY 2017 President's Budget</i>			
(dollars in thousands)			
	2015	2016	2017
	Actuals	Estimates	Estimates
Hawaii			
Compensation and pensions	394,010	444,246	468,458
Readjustment benefits	183,257	206,622	217,883
General operating expenses	16,891	19,045	20,083
Medical and construction programs	280,766	316,564	333,816
Insurance and indemnities	13,611	15,346	16,183
Total	\$888,535	\$1,001,823	\$1,056,423
Idaho			
Compensation and pensions	405,841	457,586	482,524
Readjustment benefits	56,724	63,956	67,442
General operating expenses	9,580	10,801	11,390
Medical and construction programs	262,307	295,751	311,870
Insurance and indemnities	8,767	9,885	10,424
Total	\$743,219	\$837,979	\$883,649
Illinois			
Compensation and pensions	1,687,260	1,902,386	2,006,066
Readjustment benefits	329,365	371,359	391,598
General operating expenses	49,120	55,383	58,401
Medical and construction programs	2,341,023	2,639,503	2,783,356
Insurance and indemnities	61,784	69,661	73,458
Total	\$4,468,552	\$5,038,292	\$5,312,879
Indiana			
Compensation and pensions	1,233,530	1,390,805	1,466,604
Readjustment benefits	151,372	170,672	179,974
General operating expenses	53,741	60,593	63,895
Medical and construction programs	871,772	982,923	1,036,492
Insurance and indemnities	25,497	28,748	30,315
Total	\$2,335,912	\$2,633,741	\$2,777,280
Iowa			
Compensation and pensions	581,556	655,704	691,440
Readjustment benefits	74,950	84,506	89,112
General operating expenses	11,568	13,043	13,754
Medical and construction programs	682,792	769,848	811,805
Insurance and indemnities	19,433	21,911	23,105
Total	\$1,370,299	\$1,545,012	\$1,629,215
Kansas			
Compensation and pensions	631,885	712,450	751,279
Readjustment benefits	110,338	124,406	131,186
General operating expenses	23,747	26,775	28,234
Medical and construction programs	631,202	711,680	750,467
Insurance and indemnities	16,836	18,983	20,017
Total	\$1,414,008	\$1,594,294	\$1,681,183

<i>Amounts Included in FY 2017 President's Budget</i>			
(dollars in thousands)			
	2015	2016	2017
	Actuals	Estimates	Estimates
Kentucky			
Compensation and pensions	1,231,438	1,388,446	1,464,117
Readjustment benefits	141,335	159,355	168,040
General operating expenses	43,807	49,392	52,084
Medical and construction programs	736,073	829,922	875,153
Insurance and indemnities	18,000	20,295	21,401
Total	\$2,170,653	\$2,447,411	\$2,580,795
Louisiana			
Compensation and pensions	1,211,260	1,365,696	1,440,126
Readjustment benefits	146,460	165,134	174,133
General operating expenses	28,577	32,221	33,977
Medical and construction programs	1,198,921	1,351,783	1,425,456
Insurance and indemnities	20,552	23,172	24,435
Total	\$2,605,770	\$2,938,006	\$3,098,127
Maine			
Compensation and pensions	519,583	585,830	617,758
Readjustment benefits	42,841	48,303	50,936
General operating expenses	19,660	22,167	23,375
Medical and construction programs	326,928	368,611	388,701
Insurance and indemnities	10,281	11,592	12,224
Total	\$919,293	\$1,036,503	\$1,092,992
Maryland			
Compensation and pensions	1,279,895	1,443,082	1,521,730
Readjustment benefits	350,882	395,619	417,181
General operating expenses	24,264	27,358	28,849
Medical and construction programs	708,842	799,219	842,777
Insurance and indemnities	35,023	39,488	41,641
Total	\$2,398,906	\$2,704,767	\$2,852,176
Massachusetts			
Compensation and pensions	1,141,560	1,287,109	1,357,256
Readjustment benefits	211,092	238,006	250,978
General operating expenses	27,522	31,031	32,722
Medical and construction programs	1,236,935	1,394,644	1,470,652
Insurance and indemnities	39,886	44,971	47,422
Total	\$2,656,995	\$2,995,762	\$3,159,031
Michigan			
Compensation and pensions	1,959,410	2,209,235	2,329,638
Readjustment benefits	215,844	243,364	256,627
General operating expenses	54,702	61,677	65,038
Medical and construction programs	1,591,140	1,794,010	1,891,784
Insurance and indemnities	46,717	52,673	55,544
Total	\$3,867,813	\$4,360,959	\$4,598,631

<i>Amounts Included in FY 2017 President's Budget</i>			
(dollars in thousands)			
	2015	2016	2017
	Actuals	Estimates	Estimates
Minnesota			
Compensation and pensions	1,123,595	1,266,853	1,335,897
Readjustment benefits	146,597	165,288	174,296
General operating expenses	86,488	97,515	102,830
Medical and construction programs	1,144,918	1,290,895	1,361,249
Insurance and indemnities	35,200	39,688	41,851
Total	\$2,536,798	\$2,860,240	\$3,016,123
Mississippi			
Compensation and pensions	791,716	892,660	941,310
Readjustment benefits	96,930	109,289	115,245
General operating expenses	29,819	33,621	35,453
Medical and construction programs	910,838	1,026,970	1,082,940
Insurance and indemnities	12,941	14,591	15,386
Total	\$1,842,244	\$2,077,130	\$2,190,334
Missouri			
Compensation and pensions	1,627,460	1,834,961	1,934,967
Readjustment benefits	199,877	225,361	237,644
General operating expenses	154,123	173,774	183,244
Medical and construction programs	1,813,746	2,044,999	2,156,451
Insurance and indemnities	34,211	38,573	40,675
Total	\$3,829,417	\$4,317,668	\$4,552,981
Montana			
Compensation and pensions	324,329	365,681	385,611
Readjustment benefits	40,828	46,034	48,542
General operating expenses	8,801	9,923	10,464
Medical and construction programs	413,119	465,792	491,177
Insurance and indemnities	7,002	7,895	8,325
Total	\$794,079	\$895,324	\$944,119
Nebraska			
Compensation and pensions	546,459	616,133	649,712
Readjustment benefits	65,078	73,375	77,374
General operating expenses	37,410	42,180	44,479
Medical and construction programs	516,061	581,859	613,570
Insurance and indemnities	11,703	13,195	13,914
Total	\$1,176,711	\$1,326,742	\$1,399,049
Nevada			
Compensation and pensions	818,844	923,247	973,564
Readjustment benefits	107,053	120,702	127,281
General operating expenses	14,561	16,418	17,312
Medical and construction programs	832,966	939,169	990,354
Insurance and indemnities	12,547	14,147	14,918
Total	\$1,785,971	\$2,013,682	\$2,123,428

<i>Amounts Included in FY 2017 President's Budget</i>			
(dollars in thousands)			
	2015	2016	2017
	Actuals	Estimates	Estimates
New Hampshire			
Compensation and pensions	313,725	353,725	373,003
Readjustment benefits	59,060	66,590	70,219
General operating expenses	6,587	7,427	7,832
Medical and construction programs	169,160	190,728	201,123
Insurance and indemnities	9,098	10,258	10,817
Total	\$557,630	\$628,728	\$662,993
New Jersey			
Compensation and pensions	1,036,506	1,168,661	1,232,353
Readjustment benefits	207,474	233,927	246,676
General operating expenses	18,670	21,050	22,198
Medical and construction programs	569,068	641,624	676,593
Insurance and indemnities	49,039	55,291	58,305
Total	\$1,880,757	\$2,120,554	\$2,236,124
New Mexico			
Compensation and pensions	782,081	881,796	929,854
Readjustment benefits	76,755	86,541	91,258
General operating expenses	13,727	15,477	16,321
Medical and construction programs	510,750	575,871	607,256
Insurance and indemnities	12,854	14,493	15,283
Total	\$1,396,167	\$1,574,178	\$1,659,971
New York			
Compensation and pensions	2,377,227	2,680,323	2,826,401
Readjustment benefits	567,639	640,013	674,894
General operating expenses	107,919	121,679	128,310
Medical and construction programs	2,981,671	3,361,834	3,545,054
Insurance and indemnities	94,698	106,772	112,591
Total	\$6,129,154	\$6,910,621	\$7,287,250
North Carolina			
Compensation and pensions	3,436,154	3,874,264	4,085,411
Readjustment benefits	474,299	534,772	563,917
General operating expenses	95,036	107,153	112,993
Medical and construction programs	2,091,194	2,357,821	2,486,322
Insurance and indemnities	58,336	65,774	69,359
Total	\$6,155,019	\$6,939,784	\$7,318,002
North Dakota			
Compensation and pensions	167,895	189,302	199,619
Readjustment benefits	24,962	28,145	29,679
General operating expenses	6,291	7,093	7,480
Medical and construction programs	265,748	299,631	315,961
Insurance and indemnities	3,863	4,356	4,593
Total	\$468,759	\$528,526	\$557,330

<i>Amounts Included in FY 2017 President's Budget</i>			
(dollars in thousands)			
	2015	2016	2017
	Actuals	Estimates	Estimates
Ohio			
Compensation and pensions	2,192,679	2,472,246	2,606,983
Readjustment benefits	307,468	346,670	365,564
General operating expenses	2,608,851	2,941,480	3,101,790
Medical and construction programs	2,612,814	2,945,948	3,106,502
Insurance and indemnities	59,110	66,647	70,279
Total	\$7,780,922	\$8,772,990	\$9,251,117
Oklahoma			
Compensation and pensions	1,812,031	2,043,065	2,154,412
Readjustment benefits	153,716	173,315	182,760
General operating expenses	123,447	139,186	146,772
Medical and construction programs	830,025	935,853	986,857
Insurance and indemnities	20,901	23,566	24,850
Total	\$2,940,120	\$3,314,985	\$3,495,652
Oregon			
Compensation and pensions	1,281,055	1,444,390	1,523,109
Readjustment benefits	145,921	164,526	173,493
General operating expenses	36,758	41,445	43,703
Medical and construction programs	1,109,418	1,250,869	1,319,041
Insurance and indemnities	26,339	29,697	31,316
Total	\$2,599,491	\$2,930,926	\$3,090,662
Pennsylvania			
Compensation and pensions	2,402,975	2,709,354	2,857,014
Readjustment benefits	359,206	405,005	427,078
General operating expenses	159,981	180,379	190,209
Medical and construction programs	2,438,124	2,748,985	2,898,804
Insurance and indemnities	78,071	88,025	92,822
Total	\$5,438,357	\$6,131,748	\$6,465,928
Puerto Rico			
Compensation and pensions	784,777	884,836	933,060
Readjustment benefits	64,137	72,314	76,256
General operating expenses	21,448	24,183	25,501
Medical and construction programs	624,539	704,168	742,545
Insurance and indemnities	5,224	5,890	6,211
Total	\$1,500,125	\$1,691,391	\$1,783,572
Rhode Island			
Compensation and pensions	223,371	251,851	265,577
Readjustment benefits	39,555	44,598	47,029
General operating expenses	25,055	28,250	29,789
Medical and construction programs	287,987	324,705	342,402
Insurance and indemnities	6,257	7,055	7,439
Total	\$582,225	\$656,459	\$692,236

<i>Amounts Included in FY 2017 President's Budget</i>			
(dollars in thousands)			
	2015	2016	2017
	Actuals	Estimates	Estimates
South Carolina			
Compensation and pensions	1,909,398	2,152,846	2,270,176
Readjustment benefits	267,690	301,820	318,270
General operating expenses	68,554	77,295	81,507
Medical and construction programs	984,538	1,110,067	1,170,565
Insurance and indemnities	30,328	34,195	36,058
Total	\$3,260,508	\$3,676,223	\$3,876,577
South Dakota			
Compensation and pensions	236,224	266,343	280,858
Readjustment benefits	30,536	34,429	36,306
General operating expenses	11,254	12,689	13,380
Medical and construction programs	476,080	536,780	566,035
Insurance and indemnities	4,497	5,070	5,347
Total	\$758,591	\$855,311	\$901,926
Tennessee			
Compensation and pensions	2,046,242	2,307,138	2,432,877
Readjustment benefits	265,299	299,125	315,427
General operating expenses	64,844	73,112	77,096
Medical and construction programs	1,809,668	2,040,401	2,151,603
Insurance and indemnities	33,729	38,029	40,102
Total	\$4,219,782	\$4,757,804	\$5,017,105
Texas			
Compensation and pensions	7,447,454	8,395,174	8,852,711
Readjustment benefits	1,376,590	1,551,830	1,636,405
General operating expenses	222,872	251,244	264,936
Medical and construction programs	4,348,188	4,901,712	5,168,856
Insurance and indemnities	119,106	134,268	141,586
Total	\$13,514,210	\$15,234,228	\$16,064,493
Utah			
Compensation and pensions	440,335	496,258	523,304
Readjustment benefits	127,276	143,440	151,258
General operating expenses	59,881	67,486	71,164
Medical and construction programs	529,491	596,736	629,258
Insurance and indemnities	12,169	13,714	14,462
Total	\$1,169,152	\$1,317,634	\$1,389,445
Vermont			
Compensation and pensions	134,177	151,217	159,459
Readjustment benefits	19,992	22,531	23,759
General operating expenses	4,085	4,604	4,855
Medical and construction programs	235,804	265,751	280,235
Insurance and indemnities	3,494	3,938	4,152
Total	\$397,552	\$448,041	\$472,459

<i>Amounts Included in FY 2017 President's Budget</i>			
(dollars in thousands)			
	2015	2016	2017
	Actuals	Estimates	Estimates
Virginia			
Compensation and pensions	2,775,627	3,128,132	3,298,615
Readjustment benefits	890,627	1,003,737	1,058,440
General operating expenses	64,952	73,201	77,190
Medical and construction programs	1,325,709	1,494,074	1,575,501
Insurance and indemnities	54,280	61,174	64,508
Total	\$5,111,195	\$5,760,317	\$6,074,254
Washington			
Compensation and pensions	2,140,766	2,412,643	2,544,132
Readjustment benefits	398,814	449,463	473,959
General operating expenses	71,631	80,728	85,128
Medical and construction programs	1,228,060	1,384,024	1,459,453
Insurance and indemnities	41,278	46,520	49,056
Total	\$3,880,549	\$4,373,379	\$4,611,728
West Virginia			
Compensation and pensions	705,355	794,935	838,259
Readjustment benefits	46,198	52,065	54,903
General operating expenses	369,209	416,099	438,776
Medical and construction programs	927,284	1,045,049	1,102,004
Insurance and indemnities	9,374	10,564	11,140
Total	\$2,057,420	\$2,318,712	\$2,445,082
Wisconsin			
Compensation and pensions	1,118,396	1,260,432	1,328,814
Readjustment benefits	134,092	151,122	159,282
General operating expenses	72,837	82,087	86,520
Medical and construction programs	1,227,023	1,382,855	1,457,529
Insurance and indemnities	35,051	39,502	41,636
Total	\$2,587,399	\$2,915,999	\$3,073,781
Wyoming			
Compensation and pensions	156,163	175,996	185,587
Readjustment benefits	17,174	19,355	20,410
General operating expenses	1,793	2,021	2,131
Medical and construction programs	294,328	331,708	349,786
Insurance and indemnities	3,028	3,413	3,599
Total	\$472,486	\$532,492	\$561,513
Guam			
Compensation and pensions	53,087	59,829	63,090
Readjustment benefits	16,101	18,146	19,135
General operating expenses	0	0	0
Medical and construction programs	9,034	10,181	10,736
Insurance and indemnities	427	481	507
Total	\$78,649	\$88,637	\$93,468

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Department of Veterans Affairs Discretionary and Mandatory Programs Funding and Average Employment for 2015 - 2017 (dollars in thousands)									
	2015- Actuals (PY)			2016- Enacted (CY)			2017- Request (BY)		
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE
Discretionary Programs									
Medical Programs- VHA									
Medical Services	48,464,754	49,749,412	211,191	53,237,157	52,008,079	215,773	48,597,515	48,763,328	230,062
Community Care	45,041,948	46,320,386	0	49,721,986	48,493,472	0	45,039,208	45,172,432	0
Medical Support & Compliance	0	0	0	0	0	0	7,496,181	6,593,123	0
Medical Facilities	5,788,131	5,818,150	49,479	6,116,595	5,980,408	50,852	6,495,794	6,386,938	56,290
Medical Facilities	4,620,775	5,016,838	23,626	4,983,497	4,140,001	23,644	5,336,044	5,336,044	24,209
Collections (MCCF)	3,422,806	3,429,026	0	3,515,171	3,514,607	0	3,558,307	3,590,896	0
Total Medical care	58,873,660	60,584,400	284,296	64,337,249	62,128,488	290,269	68,274,870	67,079,433	310,561
DoD-VA Health Care Sharing Incentive Fund	15,000	76,109	57	0	22,500	57	30,000	7,500	57
Joint DoD-VA Medical Facility Demonstration Fund	376,376	359,350	2,127	387,908	386,827	2,167	397,106	396,072	2,172
Joint Facility Collections (MCCF)	22,330	21,843	0	21,102	21,902	0	22,316	22,073	0
Total Demonstration Fund with MCCF	398,706	381,193	2,127	410,010	408,729	2,167	419,422	418,145	2,172
Medical and Prosthetic Research	588,513	612,105	3,521	630,735	610,024	3,551	663,366	643,293	3,606
Subtotal, VHA	59,875,879	61,653,807	290,001	65,377,994	63,169,741	296,044	69,387,658	68,148,371	316,396
National Cemetery Administration									
Office of Inspector General	256,630	269,758	1,730	271,220	271,127	1,789	286,193	279,422	1,809
Board of Veterans Appeals	126,686	126,493	676	136,766	129,333	721	160,106	146,092	821
Information Technology	99,180	89,065	646	109,884	99,042	680	156,096	146,000	922
	3,895,070	3,792,122	7,290	4,126,205	3,860,387	7,439	4,270,958	4,220,615	8,334
Construction									
Major									
Veterans Health Administration	641,970	1,162,772		1,122,587	785,153		385,110	673,753	
Veterans Benefits Administration	0	144		0	0		0	0	
National Cemetery Administration	10,000	40,271		155,764	60,903		137,000	61,903	
Staff Offices	4,000	4,022		4,500	4,298		6,000	4,298	
Transfer	36,030								
Subtotal Major Construction	692,000	1,207,209	0	1,282,851	850,354	0	528,110	739,954	0
Minor									
Veterans Health Administration	386,653	438,803		247,505	450,348		285,000	489,564	
Veterans Benefits Administration	45,909	26,719		61,525	49,387		20,000	48,422	
National Cemetery Administration	51,212	31,782		69,050	62,461		56,890	61,803	
Staff Offices	8,426	9,811		28,120	17,804		10,179	20,211	
Subtotal Minor Construction	492,200	507,115	0	406,200	580,000	0	372,069	620,000	0
Grants For State Extended Care Facilities	90,000	94,751		120,000	86,355		80,000	90,880	
Grants For State Cemeteries	46,000	44,000		46,000	38,540		45,000	44,000	
Total Construction	1,320,200	1,853,075	0	1,855,051	1,555,249	0	1,025,179	1,494,834	0
Departmental Administration									
Veteran Benefits Administration									
Filipino Veterans Equity Compensation Fund	0	177	0	0	168	0	0	140	0
Veteran Benefits Administration- GOE									
Compensation Administration	1,832,038	1,920,285	14,447	1,916,193	1,698,484	14,643	2,012,771	1,948,672	14,945
Pensions Administration (Includes Burial)	250,982	244,413	2,464	258,702	252,153	2,476	268,773	261,711	2,476
Subtotal, Compensation and Pension	2,083,020	2,164,698	16,911	2,174,895	1,950,637	17,119	2,281,544	2,210,383	17,421
Education Administration	189,573	186,697	1,863	208,310	201,515	1,904	212,453	207,248	1,904
Vocational Rehabilitation and Employment	258,531	250,643	1,558	323,662	308,065	1,591	331,285	322,644	1,591
Transfer of funds from Medical Services	0	0	0	0	0	0	0	0	0
Insurance Administration	776	754	317	867	836	347	879	858	345
Subtotal GOE, VBA without Credit Reform	2,531,900	2,602,969	20,649	2,707,734	2,461,221	20,961	2,826,161	2,741,273	21,261

Department of Veterans Affairs									
Discretionary and Mandatory Programs Funding and Average Employment for 2015 - 2017									
(dollars in thousands)									
	2015- Actuals (PY)			2016- Enacted (CY)			2017- Request (BY)		
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE
General Administration									
Office of the Secretary		313,538	91		406,000	88		425,000	96
General Counsel	10,022		713	10,498		756	11,589		747
AS for Management	80,243		257	92,178		268	94,317		295
AS for Human Resources & Administration	44,052		783	44,535		893	57,729		903
AS for Policy, and Planning	61,939		111	63,555		340	67,887		132
AS for Operations, Security & Preparedness	24,990		106	24,743		140	27,967		163
AS for Public and Intergovernmental Affairs	17,884		78	18,907		90	20,534		66
AS for Congressional and Legislative Affairs	22,264		42	21,026		55	10,736		63
Office of Acquisitions, Logistics, & Construction	5,962		405	7,889		418	9,208		484
Veterans Experience Office	53,789		0	53,328		0	45,424		204
Transfer	0		0	0		0	72,568		0
	-1,130		0	0		0	0		0
Subtotal General Administration	320,015	313,538	2,586	336,659	406,000	3,048	417,959	425,000	3,153
Credit Reform Administrative									
Credit Reform Administrative- VBA									
Native American loan administrative	1,110	1,110	7	1,114	1,114	7	1,143	1,143	7
Vocational rehabilitation loan program - admin	361	361	3	367	367	3	389	389	3
Veterans housing benefit program fund program	136,644	136,644	863	138,277	138,277	900	168,656	168,656	900
Subtotal VBA	138,115	138,115	873	139,758	139,758	910	170,188	170,188	910
Credit Reform Administrative- General Counsel									
Native American loan administrative	20	20		20	20		20	20	
Transitional Housing for Homeless Veterans (Non-Add)	20	20		20	20		20	20	
Veterans housing benefit program fund program	5,438	5,438		5,453	5,453		5,600	5,600	
Subtotal General Counsel	5,458	5,458	0	5,473	5,473	0	5,620	5,620	0
Credit Reform Administrative- VHA									
Transitional Housing for Homeless Veterans (Non-Add)	730	730		730	730		730	730	
Subtotal VHA	730	730	0	730	730	0	730	730	0
Credit Reform Administrative- OIT									
Veterans Housing	17,509	17,509		20,828	20,828		24,600	24,600	
Subtotal OIT	17,509	17,509	0	20,828	20,828	0	24,600	24,600	0
Credit Reform Subsidy									
Vocational rehabilitation loan program - subsidy	7	7	0	31	31	0	36	36	0
Subtotal, Credit Reform Subsidy	7	7	0	31	31	0	36	36	0
Subtotal, Credit Reform Administrative	161,089	161,089	873	166,090	166,090	910	200,444	200,444	910
Franchise Fund									
	-36,030	-21,906	1,217	0	72,000	1,708	0	-15,000	1,769
Total, Other Discretionary	9,654,629	10,233,767	41,372	10,728,252	10,039,800	43,031	10,433,568	10,685,545	44,814
Total, Discretionary Program w/o Collections	65,105,483	67,389,141	325,668	71,550,330	68,653,681	333,300	75,150,131	74,174,082	355,375
Total, Discretionary Program with Collections	68,550,619	70,840,010	325,668	75,087,603	72,190,190	333,300	78,730,754	77,787,051	355,375

Department of Veterans Affairs							
Discretionary and Mandatory Programs Funding and Average Employment for 2015 - 2017							
(dollars in thousands)							
	2015- Actuals (P'Y)		2016- Enacted (CY)		2017- Request (BY)		FTE
	BA	Outlay	BA	Outlay	BA	Outlay	
Mandatory Programs							
Veterans Health Care							
Veterans Access Fund - Sec 801	0	681,975	0	3,276,113	0	1,058,626	6,628
Medical Services	0	595,924	0	1,364,725	0	352,451	6,458
Medical Support and Compliance	0	412	0	15,725	0	4,000	170
Medical Facilities	0	60,129	0	1,342,997	0	533,981	0
Construction, Minor Projects	0	2,000	0	378,556	0	116,000	0
Information Technology	0	23,510	0	174,110	0	52,194	0
Veterans Choice Fund - Sec 802	0	1,235,363	0	3,482,046	0	3,600,000	40
Total Veterans Care	0	1,917,338	0	6,758,159	0	4,658,626	6,668
Benefit Programs							
Compensation and Pensions							
Disability Compensation Benefits	73,364,345	69,580,324	70,906,319	80,241,321	79,770,017	78,862,097	
Pensions Benefits	5,496,232	5,440,010	5,738,802	6,112,102	6,087,586	6,025,315	
Burial Benefits	210,423	210,423	220,424	220,424	225,525	225,525	
Total Compensation and Pensions	79,071,000	75,230,757	76,865,545	86,573,847	86,083,128	85,112,937	0
Readjustment Benefits							
Education Benefits	13,838,679	12,083,745	12,941,285	13,425,523	14,875,646	13,592,621	
Vocational Rehabilitation & Employment	1,158,457	1,152,244	1,372,073	1,366,378	1,465,182	1,408,483	
Total Readjustment Benefits	14,997,136	13,235,989	14,313,358	14,791,901	16,340,828	15,001,104	0
Housing Program and Credit Reform							
Housing Program Upward Reestimate	459,807	459,807	509,008	509,008	0	0	0
Housing Program Original Loan Subsidy	404,521	404,521	345,814	345,814	584,088	584,088	
Native American Veteran Housing Loan Program	1,092	1,092	673	673	0	0	0
Vocational Rehabilitation Upward Reestimate	113	113	78	78	0	0	0
Veterans housing benefit program fund liquidating	-12,837	-13,550	-11,971	-10,187	-10,519	-10,519	
Subtotal Housing Insurance Benefits	852,696	851,993	843,602	845,386	573,569	573,569	
	63,257	63,257	77,160	80,540	108,525	108,525	
Subtotal Insurance	63,257	63,257	77,160	80,540	108,525	108,525	
Trust Funds							
Post-Vietnam era veterans education account	0	275	0	264	0	251	
Service-disabled veterans insurance fund	0	18,942	0	20,158	0	-6,172	
Veterans reopened insurance fund	0	28,608	0	28,090	0	25,360	
Service members' group life insurance fund	0	6,266	0	0	0	0	
National service life insurance	907,298	1,013,495	845,658	916,463	755,831	888,538	
U.S. Government life insurance	1,389	1,995	1,154	2,007	727	1,227	
Veterans special life insurance fund	0	71,888	0	107,685	0	117,620	
Subtotal Trust Funds	908,687	1,141,469	846,812	1,074,667	756,558	1,026,824	

Department of Veterans Affairs									
Discretionary and Mandatory Programs Funding and Average Employment for 2015 - 2017									
(dollars in thousands)									
	2015- Actuals (PY)			2016- Enacted (CY)			2017- Request (BY)		
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE
Medical Programs									
Canteen service revolving fund	0	-11,495	3,351	0	3,000	3,351	0	9,000	3,351
General post fund	23,447	21,222	0	24,200	21,900	0	25,100	22,700	0
Subtotal Veterans Health Administration	23,447	9,727	3,351	24,200	24,900	3,351	25,100	31,700	3,351
Departmental Administration									
Supply Fund	-20,000	-75,999	1,048	0	-533,000	1,120	0	0	1,150
Transfer	20,000	2,000	0	0	0	0	0	0	0
Subtotal Departmental Administration	0	-73,999	1,048	0	-533,000	1,120	0	0	1,150
Benefits Programs Proprietary receipts									
GI Bill - Contribution from Military Personnel	-145,073	-145,073	0	-125,414	-125,414	0	-109,961	-109,961	0
National service life insurance fund	-77,839	-77,839	0	-60,720	-60,720	0	-52,110	-52,110	0
Post-Vietnam era veterans education account	0	0	0	0	0	0	0	0	0
Downward Reestimates:									
Acquired Direct Loan	-29,374	-29,374		-743	-743		0	0	0
Transitional housing- Direct Loans	-288	-288		-289	-289		0	0	0
Vendee Direct	-29	-29		-293	-293		0	0	0
Veterans housing benefit fund guaranteed loan	-228,178	-228,178	0	-279,280	-279,280	0	0	0	0
Veterans housing benefit fund loan sales securities	-9,660	-9,660	0	-30,693	-30,693	0	0	0	0
Native American veterans program account	-270	-270	0	-242	-242	0	0	0	0
Vocational rehabilitation loan program	-170	-170		-120	-120		0	0	0
Negative Subsidy:									
Acquired Direct	-312	-312		0	0		0	0	
Vendee Direct	-178	-178		-74,411	-74,411	0	-92,462	-92,452	0
Veterans housing benefit fund guaranteed loans	0	0		0	0		0	0	
Native American veterans program account	-605	-605	0	-1,912	-1,565	0	-1,912	-1,565	0
U.S. Government life insurance	-29	-29		-20	-20		-14	-14	
Subtotal, Proprietary receipts	-492,005	-492,005	0	-574,137	-573,790	0	-256,459	-256,102	0
Intragovernmental transactions									
National service life insurance fund	-133	-133	0	-110	-110	0	-90	-90	0
Post-Vietnam era veterans education account	0	0	0	0	0	0	0	0	0
Subtotal, Intragovernmental transactions	-133	-133	0	-110	-110	0	-90	-90	0
Total, Mandatory Programs	95,424,085	91,884,383	9,612	92,396,430	109,042,500	16,500	103,631,159	106,257,093	11,169
Total Net, Department Veterans Affairs	160,529,568	159,273,524	335,280	163,946,760	177,696,181	349,800	178,781,290	180,431,175	366,544
Total Gross, Department Veterans Affairs	163,974,704	162,724,393	335,280	167,484,033	181,232,690	349,800	182,361,913	184,044,144	366,544

(1) 2017 amounts do not include mandatory legislative proposals

<i>Appropriation-Reconciliation (dollars in thousands)</i>			
Appropriation/Fund Account	2015 Actual	2016 Enacted	2017 Request
Federal funds:			
Benefit programs:			
Disability Compensation Mandatory Benefits	\$73,364,345	70,906,319	79,770,017
Burial Mandatory Benefits	210,423	220,424	225,525
Pensions Mandatory Benefits	5,496,232	5,738,802	6,087,586
Subtotal, Compensation and Pension	79,071,000	76,865,545	86,083,128
Education Mandatory Benefits	13,838,679	12,941,285	14,875,646
Vocational rehabilitation and employment Mandatory Benefits	1,158,457	1,372,073	1,465,182
Subtotal, Readjustment Benefits	14,997,136	14,313,358	16,340,828
Insurance Mandatory Benefits	63,257	77,160	108,525
Housing and Credit Reform Mandatory Benefits	852,696	843,602	573,569
Total Benefits Mandatory	94,984,089	92,099,665	103,106,050
Medical Research and Support	588,922	630,735	663,366
Rescission P.L. 113-235 (Bonuses)	-409		
Total Medical Research and Support	588,513	630,735	663,366
Medical programs:			
Medical Services	45,015,527	47,603,202	51,673,000
Annual Appropriation, P.L. 113-76, P.L. 113-235 Request	209,189	2,369,158	1,078,993
Rescission P.L. 113-235 (Bonuses)	-28,830	0	0
Transfer to Joint DoD/VA Medical Facility Demonstration Fund	-190,185	-196,323	-201,604
Transfer to Major Construction	-6,494	-39,051	0
Transfer to Medical Community Care	0	0	-7,246,181
Transfer from Medical Support & Compliance	57,741		
Transfer to VA/DoD Health Care Sharing Incentive Fund	-15,000	-15,000	-15,000
Medical Care Collections Fund	3,422,806	3,515,171	3,308,307
Total Medical Services with Collections	48,464,754	53,237,157	48,597,515
Community Care			
Transfer from Medical Services	0	0	7,246,181
Medical Care Collections Fund	0	0	250,000
Total Medical Community Care with Collections			7,496,181
Medical Support and Compliance	5,879,700	6,144,000	6,524,000
Rescission P.L. 113-235 (Bonuses)	-5,609	0	0
Transfer to Major Construction	-1,611	0	
Transfer to Joint DoD/VA Medical Facility Demonstration Fund	-26,608	-27,405	-28,206
Transfer to Medical Services	-57,741	0	0
Total Medical Support and Compliance	5,788,131	6,116,595	6,495,794
Medical Facilities	4,739,000	4,915,000	5,074,000
Annual Appropriation, P.L. 113-76 Request	0	105,132	649,000
Rescission P.L. 113-235 (Bonuses)	-2,000	0	0
Transfer to Joint DoD/VA Medical Facility Demonstration Fund	-35,490	-36,635	-37,620
Transfer to Major Construction	-80,735	0	0
Total Medical Facilities	4,620,775	4,983,497	5,685,380
VA/DoD Health Care Sharing Incentive Fund			
Transfer from Medical Services	15,000	15,000	15,000
Transfer from DoD	15,000	15,000	15,000
Rescission P.L. 113-235 (Unobligated balances)	-15,000	-30,000	
Total VA/DoD Health Care Sharing Incentive Fund	15,000	0	30,000
Joint DoD/VA Medical Facility Demonstration Fund			
Transfer from DoD	117,125	120,387	122,375
Transfer from Medical Services	190,185	196,323	201,604
Transfer from Medical Support and Compliance	26,608	27,405	28,206
Transfer from Medical Facilities	35,490	36,635	37,620
Collections	22,330	22,102	22,316
Transfer from Information Technology	6,968	7,158	7,301
Total Joint DoD/VA Medical Facility Demonstration Fund	398,706	410,010	419,422
Total Medical Care	59,287,366	64,747,259	68,724,292
Total Medical Programs	59,875,879	65,377,994	69,387,658

<i>Appropriation-Reconciliation (dollars in thousands)</i>			
Appropriation/Fund Account	2015 Actual	2016 Enacted	2017 Request
Veterans Choice Act P.L. 113-146	0	0	0
National Cemetery Administration	256,800	271,220	286,193
Transfer to Construction Major (non-add)	-60		
Rescission P.L. 113-235 (Bonuses)	-170		
Total National Cemetery Administration	256,630	271,220	286,193
Department Administration:			
General administration	321,591	336,659	417,959
Rescission P.L. 113-235 (Bonuses)	-446	0	
Transfer to Major Construction	-1,130	0	
Subtotal General Administration	320,015	336,659	417,959
Board of Veterans' Appeals	99,294	109,884	156,096
Rescission P.L. 113-235 (Bonuses)	-114	0	0
Subtotal Board of Veterans' Appeals	99,180	109,884	156,096
VBA-GOE	2,534,254	2,707,734	2,826,160
Rescission P.L. 113-235 (Bonuses)	-2,355		
Transfer to Construction Major (non-add)	-670		
Subtotal VBA GOE	2,531,899	2,707,734	2,826,160
Subtotal, GOE	2,951,094	3,154,277	3,400,215
Office of Inspector General	126,686	136,766	160,106
Subtotal, IG	126,686	136,766	160,106
Construction Major	561,800	1,243,800	528,110
Transfer From Medical Services	6,494	39,051	0
Transfer from Medical Support and Compliance	1,611	0	0
Transfer from Medical Facilities	80,735	0	0
Transfer from General Administration	1,130	0	0
Transfer from Franchise Fund	36,030	0	0
Transfer from Construction, Minor	3,000		
Transfer from Veterans Benefits Administration	670	0	0
Transfer from Information Technology	240		
Transfer from National Cemetery Administration	60		
Subtotal, Construction Major	692,000	1,282,851	528,110
Construction Minor	495,200	406,200	372,069
Transfer to Construction Major	-3,000	0	0
Subtotal, Construction Minor	492,200	406,200	372,069
Grants for State Extended Care	90,000	120,000	80,000
Subtotal, Grants State Extended Care	90,000	120,000	80,000
Grants for State Cemeteries	46,000	46,000	45,000
Subtotal, Grants State Cemeteries	46,000	46,000	45,000
Credit Reform	161,089	166,090	200,444
Subtotal, Credit Reform	161,089	166,090	200,444
Information Technology	3,903,344	4,133,363	4,278,259
Transfer to North Chicago	-6,968	-7,158	-7,301
Rescission P.L. 113-235 (Bonuses)	-1,066	0	0
Transfer to Construction, Major	-240	0	0
Subtotal, Information Technology	3,895,070	4,126,205	4,270,958
Franchise Fund	-36,030	0	0
Subtotal, Franchise Fund	-36,030	0	0
Total Departmental Administration	8,418,109	9,438,389	9,056,902
Total appropriations	\$163,534,707	\$167,187,268	\$181,836,803
Total Mandatory	\$94,984,089	\$92,099,665	\$103,106,050
Total Discretionary without MCCF	\$65,105,482	\$71,550,330	\$75,150,130
Total Discretionary with MCCF	\$68,550,618	\$75,087,603	\$78,730,753

Budget Authority (Net) (dollars in thousands)				
Appropriation/Fund Account	2015 Actual	2016 Enacted	2017 ⁽¹⁾ Request	Increase (+) Decrease (-)
Federal funds:				
Benefit programs:				
Disability compensation benefits	73,364,345	70,906,319	79,770,017	8,863,698
Pensions benefits	5,496,232	5,738,802	6,087,586	348,784
Education Benefits	13,838,679	12,941,285	14,875,646	1,934,361
Vocational rehabilitation and employment benefits	1,158,457	1,372,073	1,465,182	93,109
Insurance benefits	63,257	77,160	108,525	31,365
Housing program account mandatory	459,807	509,008	0	-509,008
Housing Program Original Loan Subsidy	404,521	345,814	584,088	238,274
Native American	1,092	673	0	-673
Vocational Rehabilitation Upward Reestimates	113	78	0	-78
Burial benefits	210,423	220,424	225,525	5,101
Total benefit programs	94,996,926	92,111,636	103,116,569	11,004,933
Medical programs:				
Medical services	45,041,948	49,721,986	45,039,208	-4,682,778
Medical care collections fund	3,422,806	3,515,171	3,558,307	43,136
Total medical care	48,464,754	53,237,157	48,597,515	-4,639,642
Community Care	0	0	7,496,181	7,496,181
Medical Support and Compliance	5,788,131	6,116,595	6,495,794	379,199
Medical facilities	4,620,775	4,983,497	5,685,380	701,883
VA/DoD Health Sharing Incentive Fund	15,000	0	30,000	30,000
Joint DoD/VA Medical Facility Demonstration Fund	376,376	387,908	397,106	9,198
Medical care collections fund	22,330	22,102	22,316	214
Total medical care	398,706	410,010	419,422	9,412
Medical and prosthetic research	588,513	630,735	663,366	32,631
Total medical programs	59,875,879	65,377,994	69,387,658	4,009,664
Veterans Choice Act	0	0	0	0
National Cemeteries Administration	256,630	271,220	286,193	14,973
Franchise Fund	-36,030	0	0	0
Departmental Administration:				
General administration	320,015	336,659	417,959	81,300
Board of Veterans' Appeals	99,180	109,884	156,096	46,212
Office of Inspector General	126,686	136,766	160,106	23,340
VBA-GOE	2,531,900	2,707,734	2,826,161	118,427
Construction Major	692,000	1,282,851	528,110	-754,741
Construction Minor	492,200	406,200	372,069	-34,131
Grants for State Extended Care	90,000	120,000	80,000	-40,000
Grants for State Cemeteries	46,000	46,000	45,000	-1,000
Credit Reform	161,089	166,090	200,444	34,354
Information Technology	3,895,070	4,126,205	4,270,958	144,753
Total Departmental administration	8,454,140	9,438,389	9,056,903	-381,486
Total appropriations, adjusted	163,547,545	167,199,239	181,847,323	14,648,084

Budget Authority (Net) (dollars in thousands)				
Appropriation/Fund Account	2,015 Actual	2,016 Enacted	2,017 Request	Increase (+) Decrease (-)
Proprietary receipts from the public:				
GI Bill receipts	-145,073	-125,414	-109,961	15,453
National service life insurance fund	-77,839	-60,720	-52,110	8,610
Post-Vietnam era veterans education account	0	0	0	0
Downward reestimates:				
Acquired Direct	-29,374	-743	0	743
Vendee Direct	-29	-293	0	293
Transitional Housing	-288	-289	0	289
Veterans housing benefit fund guaranteed loan account	-228,178	-279,280	0	279,280
Veterans housing benefit fund loan sale securities	-9,660	-30,693	0	30,693
Native American veterans program account	-270	-242	0	242
Vocational rehabilitation loan program	-170	-120	0	120
Negative subsidy:				
Acquired Direct Loan	-312	0	0	0
Vendee Direct	-178	-74,411	-92,462	-18,051
Veterans housing benefit fund guaranteed loan account	0	0	0	0
U.S. Government life insurance	-29	-20	-14	6
Native American veterans program account	-605	-1,912	-1,912	0
Medical care collections fund	-3,445,136	-3,537,273	-3,580,623	-43,350
Total proprietary receipts from the public	-3,937,141	-4,111,410	-3,837,082	274,328
Total federal funds	159,610,434	163,087,829	178,010,241	14,922,412
Trust funds:				
Post-Vietnam era veterans education account	0	0	0	0
General post fund	23,447	24,200	25,100	900
National service life insurance	907,298	845,658	755,831	-89,827
U.S. Government life insurance	1,389	1,154	727	-427
Service-disabled veterans insurance fund	0	0	0	0
Veterans reopened insurance fund	0	0	0	0
Veterans special life insurance fund	0	0	0	0
Servicemembers' group life insurance fund	0	0	0	0
National cemetery gift fund	0	0	0	0
Total trust funds (gross)	932,134	871,012	781,658	-89,354
Veterans housing benefit program fund liquidating account	-12,837	-11,971	-10,519	1,452
Intragovernmental transactions				
Post-Vietnam era veterans education account	0	0	0	0
National service life insurance	-133	-110	-90	20
Total Intergovernmental transactions	-133	-110	-90	20
Total Department of Veterans Affairs	160,529,568	163,946,760	178,781,290	14,834,530

⁽¹⁾ 2017 amounts do not include mandatory legislative proposals

<i>Outlays (Net)</i> (dollars in thousands)			
Appropriation/Fund Account	2015 Actual	2016 Enacted	2017 Request
Federal funds:			
Benefit programs:			
Disability compensation benefits	\$69,580,324	\$80,241,321	\$78,862,097
Pensions benefits	5,440,010	6,112,102	6,025,315
Burial Benefits	210,423	220,424	225,525
Education Benefits	12,083,745	13,425,523	13,592,621
Vocational rehabilitation and employment benefits	1,152,244	1,366,378	1,408,483
Insurance benefits	63,257	80,540	108,525
Veterans housing benefit program fund liquidating account	-13,550	-10,187	-10,519
Housing program account benefits	459,807	509,008	0
Housing Program Original Loan Subsidy	404,521	345,814	584,088
Native American Veteran housing Loan Program	1,092	673	0
Vocational Rehabilitation Upward Reestimate	113	78	0
Credit Reform	161,089	166,090	200,444
Service-disabled veterans insurance fund	18,942	20,158	-6,172
Veterans reopened insurance fund	28,608	28,090	25,360
Servicemembers' group life insurance fund	6,266	0	0
Total benefit programs	89,596,891	102,506,012	101,015,767
Medical programs:			
Medical services	46,320,386	48,493,472	45,172,432
Medical care collections fund	3,429,026	3,514,607	3,590,896
Total medical services	49,749,412	52,008,079	48,763,328
Community Care	0	0	6,593,123
Medical Support and Compliance	5,818,150	5,980,408	6,386,938
Medical facilities	5,016,838	4,140,001	5,336,044
VA/DoD Healthcare Sharing Incentive Fund	76,109	22,500	7,500
Joint VA/DoD Medical Facility Demonstration Fund	359,350	386,827	396,072
Medical and prosthetic research	612,105	610,024	643,293
Canteen service revolving fund	-11,495	3,000	9,000
Total medical programs	61,620,469	63,150,839	68,135,298
Departmental Administration			
Veterans Choice Act	1,917,338	6,758,159	4,658,626
General Administration	313,538	406,000	425,000
Board of Veterans' Appeals	89,065	99,042	146,000
Veterans Benefits Administration-GOE	2,602,792	2,461,053	2,741,133
Filipino Veterans Equity Compensation Fund	177	168	140
National Cemetery Administration	269,758	271,127	279,422
Construction-Major	1,207,209	850,354	739,954
Construction-Minor	507,115	580,000	620,000
Grants for State Extended Care Facilities	94,751	86,355	90,880
Grants for State Cemeteries	44,000	38,540	44,000
Information Technology	3,792,122	3,860,387	4,220,615
Office of Inspector General	126,493	129,333	146,092
Franchise fund	-21,906	72,000	-15,000
Supply fund	-73,999	-533,000	0
Total GOE & Miscellaneous	10,868,453	15,079,518	14,096,862
Total appropriations & funds	162,085,813	180,736,369	183,247,927

Outlays (Net) <i>(dollars in thousands)</i>			
Appropriation/Fund Account	2015 Actual	2016 Enacted	2017 Request
Proprietary receipts from the public:			
GI Bill	-145,073	-125,414	-109,961
Downward reestimates:			
Direct Loans	-29,374	-743	0
Vendee Direct	-29	-293	0
Transitional Housing - Direct Loans	-288	-289	0
Veterans housing benefit fund guaranteed loan	-228,178	-279,280	0
Veterans housing benefit fund loan sale securities	-9,660	-30,693	0
Native American veterans program account	-270	-242	0
Vocational rehabilitation loan program	-170	-120	0
Negative subsidy:			
Acquired Direct	-312	0	0
Vendee Direct	-178	-74,411	-92,452
Veterans housing benefit fund guaranteed loan	0	0	0
Native American veteran housing loan program account	-605	-1,565	-1,565
Medical care collections fund	-3,429,026	-3,514,607	-3,590,896
Total proprietary receipts from the public	-3,843,163	-4,027,657	-3,794,874
Total federal funds	158,242,650	176,708,712	179,453,053
Trust funds:			
General post fund	21,222	21,900	22,700
Post-Vietnam era veterans education account	275	264	251
National service life insurance	1,013,495	916,463	888,538
U.S. Government life insurance	1,995	2,007	1,227
Veterans special life insurance	71,888	107,685	117,620
National cemetery gift fund	0	0	0
Total trust funds (gross)	1,108,875	1,048,319	1,030,336
Proprietary receipts from the public	-77,868	-60,740	-52,124
Post-Vietnam era veterans education account	0	0	0
U.S. Government life insurance	-29	-20	-14
National service life insurance	-77,839	-60,720	-52,110
Total trust funds (net)	1,031,007	987,579	978,212
Intragovernmental transactions	-133	-110	-90
Post-Vietnam era veterans education account	0	0	0
U.S. Government life insurance	0	0	0
National service life insurance	-133	-110	-90
Total Department of Veterans Affairs	\$159,273,524	\$177,696,181	\$180,431,175

Functional Distribution of Budget Authority (Net) (dollars in thousands)			
Function and Program	2015 Actual	2016 Enacted	2017 Request
701: Income security for veterans:			
Disability compensation benefits	\$73,364,345	\$70,906,319	\$79,770,017
Pensions benefits	5,496,232	5,738,802	6,087,586
Burial benefits	210,423	220,424	225,525
Insurance benefits	63,257	77,160	108,525
Service-disabled veterans insurance fund	0	0	0
Veterans reopened insurance fund	0	0	0
National service life insurance	907,298	845,658	755,831
US Government life insurance	1,389	1,154	727
Veterans special life insurance fund	0	0	0
Servicemember's group life insurance fund	0	0	0
US Government life insurance	-29	-20	-14
Subtotal, income security for veterans	80,042,915	77,789,497	86,948,197
702: Veterans education, training and rehabilitation:			
Education benefits	13,838,679	12,941,285	14,875,646
Vocational rehabilitation and employment benefits	1,158,457	1,372,073	1,465,182
Post-Vietnam era veterans education account	0	0	0
Post-Vietnam era veterans education receipts	0	0	0
National service life insurance receipts	-133	-110	-90
Downward reestimates:			
Vocational Rehabilitation loan program	-170	-120	0
GI Bill receipts	-145,073	-125,414	-109,961
National service life insurance fund	-77,839	-60,720	-52,110
Subtotal, veterans education, training and rehabilitation	14,773,921	14,126,994	16,178,667
703: Hospital & Medical Care for veterans:			
Medical services	45,041,948	49,721,986	45,039,208
Medical care collections fund	3,422,806	3,515,171	3,558,307
Total medical services	48,464,754	53,237,157	48,597,515
Community Care	0	0	7,496,181
Medical Support and Compliance	5,788,131	6,116,595	6,495,794
Medical facilities	4,620,775	4,983,497	5,685,380
VA/DoD Health Sharing Incentive Fund	15,000	0	30,000
Joint DoD/VA Medical Facility Demonstration Fund	376,376	387,908	397,106
Medical care collections fund	22,330	22,102	22,316
Total Demonstration Fund with collections	398,706	410,010	419,422
Medical and prosthetic research	588,513	630,735	663,366
Medical care collections fund	-3,445,136	-3,537,273	-3,580,623
Subtotal, hospital and medical care for veterans	56,430,743	61,840,721	65,807,035

Functional Distribution of Budget Authority (Net) (dollars in thousands)			
Function and Program	2015 Actual	2016 Enacted	2017 Request
704: Veterans housing:			
Veterans housing benefit program fund liquidating account	-12,837	-11,971	-10,519
Housing program account mandatory	459,807	509,008	0
Housing Program Original Loan Subsidy	404,521	345,814	584,088
Native American Veterans Housing Loan Program	1,092	673	0
Vocational Rehabilitation Upward Reestimates	113	78	0
Downward reestimates:			
Veterans housing benefit guaranteed loan	-228,178	-279,280	0
Veterans housing benefit fund loan sale securities	-9,660	-30,693	0
Veterans housing benefit direct loan	0	0	0
Native American veterans program account	-270	-242	0
Acquired Direct Loan	-29,374	-743	0
Vendee Direct	-29	-293	0
Transitional Housing-Direct Loans	-288	-289	0
Negative subsidy:			
Acquired Direct Loan	-312	0	0
Vendee Direct	-178	-74,411	-92,462
Veterans housing benefit fund guaranteed loan account	0	0	0
Native American veterans program account	-605	-1,912	-1,912
Subtotal, veterans housing	583,802	455,739	479,195
705: Other veterans benefits and services:			
Veterans Choice Act	0	0	0
National Cemeteries Administration	256,630	271,220	286,193
General post fund	23,447	24,200	25,100
General administration	320,015	336,659	417,959
Board of Veteran's Appeals	99,180	109,884	156,096
Office of Inspector General	126,686	136,766	160,106
VBA-GOE	2,531,900	2,707,734	2,826,161
Filipino Veterans Compensation Fund	0	0	0
Construction Major	692,000	1,282,851	528,110
Construction Minor	492,200	406,200	372,069
Grants for State Extended Care	90,000	120,000	80,000
Grants for State Cemeteries	46,000	46,000	45,000
Credit Reform	161,089	166,090	200,444
Franchise Fund	-36,030	0	0
Information Technology	3,895,070	4,126,205	4,270,958
Subtotal, other veterans benefits and services	8,698,217	9,733,809	9,368,196
Total, function 700 distribution of Budget			
Authority for the Department of Veterans Affairs	160,529,568	163,946,760	178,781,290
Total Department of Veterans Affairs	160,529,568	163,946,760	178,781,290

⁽¹⁾ 2017 amounts do not include mandatory legislative proposals

Functional Distribution of Outlays (dollars in thousands)			
Function and Program	2015 Actual	2016 Enacted	2017 Request
701: Income security for veterans:			
Disability compensation benefits	\$69,580,324	\$80,241,321	\$78,862,097
Proposed legislation - Concurrent Receipt	0	0	0
Pensions benefits	5,440,010	6,112,102	6,025,315
Burial benefits	210,423	220,424	225,525
Insurance benefits	63,257	80,540	108,525
Service-disabled veterans insurance	18,942	20,158	-6,172
Veterans reopened insurance fund	28,608	28,090	25,360
Servicemembers' group life insurance fund	6,266	0	0
National service life insurance	1,013,495	916,463	888,538
U.S. Government life insurance	1,995	2,007	1,227
Veterans special life insurance	71,888	107,685	117,620
NSLI & USGLI receipts	-77,972	-60,830	-52,200
Subtotal, income security for veterans	76,357,236	87,667,960	86,195,835
702: Veterans education, training, and rehabilitation:			
Education benefits	12,083,745	13,425,523	13,592,621
Vocational rehabilitation and employment benefits	1,152,244	1,366,378	1,408,483
Vocational rehabilitation Upward Reestimate	113	78	0
Credit Reform	161,089	166,090	200,444
Post-Vietnam era veterans education	275	264	251
Post-Vietnam era veterans education receipts	0	0	0
Downward reestimates:			
Vocational rehabilitation loan program	-170	-120	0
GI Bill receipts	-145,073	-125,414	-109,961
Subtotal, veterans education, training and rehabilitation	13,252,223	14,832,799	15,091,838
703: Hospital and medical care for veterans:			
Medical services	49,749,412	52,008,079	48,763,328
Community Care	0	0	6,593,123
Medical Support and Compliance	5,818,150	5,980,408	6,386,938
Medical facilities	5,016,838	4,140,001	5,336,044
VA/DoD Health Sharing Incentive Fund	76,109	22,500	7,500
Joint VA/DoD Medical Facility Demonstration Fund	359,350	386,827	396,072
Medical and prosthetic research	612,105	610,024	643,293
Medical care collections fund, receipts	-3,429,026	-3,514,607	-3,590,896
Subtotal, hospital and medical care for veterans	58,202,938	59,633,232	64,535,402

Functional Distribution of Outlays (dollars in thousands)			
Function and Program	2015 Actual	2016 Enacted	2017 Request
704: Veterans Housing			
Veterans housing benefit program fund liquidating account	-13,550	-10,187	-10,519
Housing program account benefits	459,807	509,008	0
Housing program original loan subsidy	404,521	345,814	584,088
Native American Veteran housing Loan Program	1,092	673	0
Downward reestimates:			
Vendee Direct	-29	-293	0
Transitional Housing - Direct Loans	-288	-289	0
Veterans housing benefit guaranteed loan	-228,178	-279,280	0
Veterans housing benefit loan securities	-9,660	-30,693	0
Veterans housing benefit direct loan	-29,374	-743	0
Native American veterans program account	-270	-242	0
Negative subsidy:			
Acquired Direct	-312	0	0
Vendee Direct	-178	-74,411	-92,452
Veterans housing benefit fund guaranteed loan	0	0	0
Native American veteran housing loan program account	-605	-1,565	-1,565
U.S. Government life insurance	-29	-20	-14
Subtotal, veterans housing	582,947	457,772	479,538
705: Other veterans benefits and services:			
Veterans Choice Act	1,917,338	6,758,159	4,658,626
Veterans Benefits Administration-GOE	2,602,792	2,461,053	2,741,133
Filipino Veterans Equity Compensation Fund	177	168	140
National Cemetery Administration	269,758	271,127	279,422
Canteen service revolving fund	-11,495	3,000	9,000
Supply fund	-73,999	-533,000	0
General post fund	21,222	21,900	22,700
General Administration	313,538	406,000	425,000
Board of Veterans' Appeals	89,065	99,042	146,000
Construction-Major	1,207,209	850,354	739,954
Construction- Minor	507,115	580,000	620,000
Grants for State Extended Care	94,751	86,355	90,880
Grants for State Cemeteries	44,000	38,540	44,000
Information Technology	3,792,122	3,860,387	4,220,615
National cemetery gift fund	0	0	0
Office of Inspector General	126,493	129,333	146,092
Franchise fund	-21,906	72,000	-15,000
Subtotal, other veterans benefits and services	10,878,180	15,104,418	14,128,562
Total, function 700 Distribution of Budget			
Outlays for the Department of Veterans Affairs	\$159,273,524	\$177,696,181	\$180,431,175
Total Department of Veterans Affairs	\$159,273,524	\$177,696,181	\$180,431,175

Obligations			
<i>(dollars in thousands)</i>			
Appropriation/Fund Account	2015	2016	2017
Federal funds:			
Benefit programs:			
Disability compensation benefits	\$70,332,409	\$73,340,540	\$79,677,123
Pensions benefits	5,496,232	5,738,802	6,087,586
Burial benefits	210,423	220,424	225,525
Education benefits	12,661,591	13,771,586	14,450,343
Post-Vietnam era veterans' education account	275	262	249
Vocational rehabilitation and employment benefits	1,158,457	1,372,073	1,465,182
Insurance benefits	68,487	84,338	113,825
Housing and Credit Reform -- Mandatory	851,983	845,386	573,569
Service-disabled veterans insurance fund	145,955	157,913	165,253
Veterans reopened insurance fund	38,081	33,150	29,000
Servicemembers' group life insurance fund	777,248	804,580	794,620
Filipino Veterans Equity Compensation Fund	177	168	140
Total benefits programs	91,741,318	96,369,222	103,582,415
Medical programs:			
Medical care	60,872,812	66,624,084	69,397,645
Medical prosthetics and research	661,590	673,374	703,366
Medical center research organizations	268,079	245,189	246,517
VA/DoD Health Care Sharing Incentive Fund	84,560	59,853	74,435
Joint DoD/VA Medical Facility Demonstration Fund	396,142	421,518	427,922
Canteen service revolving fund	469,906	489,900	489,900
Total medical programs	62,753,089	68,513,918	71,339,785
Veterans Choice Act	1,799,174	3,381,007	4,819,819
National Cemetery Administration:	260,035	274,365	286,693
Departmental administration:			
VBA- GOE	3,034,143	3,254,409	3,582,610
General administration	674,960	729,527	782,231
Board of Veterans' Appeals	95,831	109,884	156,096
Pershing Hall revolving fund	50	150	200
Franchise fund	775,673	903,343	497,245
Office of Inspector General	131,673	143,362	165,903
Supply fund	1,413,078	2,100,000	2,100,000
Information Technology	4,013,147	4,577,559	4,344,698
Construction, Major & Minor	1,188,361	2,604,218	1,856,627
Grants for State Extended Care	118,216	126,131	108,595
Grants for State Cemeteries	46,000	46,000	45,000
Total Departmental administration	11,491,132	14,594,583	13,639,205
Total federal funds	168,044,748	183,133,095	193,667,917
Trust funds:			
General post fund	21,431	22,200	23,000
National service life insurance	954,882	907,648	839,991
U.S. Government life insurance	1,418	1,168	735
Veterans special life insurance	207,124	213,695	207,580
National cemetery gift fund	181	160	160
Total trust funds	1,185,036	1,144,871	1,071,466
Total Department of Veterans Affairs	\$169,229,784	\$184,277,966	\$194,739,383
Non-Budget			
Veterans housing benefit program direct loan financing ac	81,677	594,119	745,526
Veterans housing benefits program loan sale securities fini	32,667	51,004	18,621
Veterans housing benefit program guaranteed loan financi	2,965,607	4,011,967	4,299,876
Native American and transitional housing direct loan finai	7,255	18,571	19,049
Vocational rehabilitation loan financing account	2,234	3,072	2,517
Total Non-Budget	\$3,089,440	\$4,678,734	\$5,085,590

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<p align="center">Budget Authority 2006 - 2015 Actuals (dollar in thousands)</p>										
	2006 (Net)	2007 (Net)	2008 (Net)	2009 (Net)	2010 (Net)	2011 (Net)	2012 (Net)	2013 (Net)	2014 (Net)	2015 (Net)
Federal funds:										
Benefit programs										
Compensation and pensions	\$33,897,787	\$38,622,360	\$41,238,855	\$43,505,909	\$61,176,942	\$53,039,657	\$51,237,567	\$61,424,693	\$71,476,104	\$79,071,000
Readjustment benefits	3,309,234	2,812,006	3,300,289	4,132,944	8,820,722	11,334,634	12,108,487	11,198,620	13,135,898	14,997,136
Veterans insurance and indemnities	45,907	49,850	41,250	48,072	56,288	77,589	100,252	104,600	77,567	63,257
Veterans housing benefit program fund account	198,009	204,479	969,168	486,232	974,811	1,553,906	1,727,314	1,542,523	2,203,039	1,023,919
Veterans housing benefit program fund										
liquidating account, permanent	-49,485	-42,000	-20,242	-7,930	-6,813	-7,329	-7,383	-16,000	-14,412	-12,837
Native American veteran housing loan program account	580	584	628	646	664	663	1,116	1,088	2,437	2,222
Vocational rehabilitation loans program account	355	358	355	381	357	354	358	362	437	481
Total benefit programs	37,402,387	41,647,637	45,530,303	48,166,254	71,022,971	65,999,474	65,167,711	74,255,886	86,881,070	95,145,178
Medical programs:										
Medical care										
Medical services	24,139,378	27,517,363	30,445,908	33,512,421	37,588,065	39,718,911	42,331,830	44,032,452	46,354,583	48,464,754
Medical support and compliance	3,430,542	3,674,815	3,956,617	4,405,500	4,882,000	5,252,367	5,405,482	5,698,104	5,898,430	5,788,131
Medical facilities	3,357,869	4,548,165	4,233,182	6,029,000	4,859,000	5,703,116	5,388,838	5,409,938	4,924,002	4,620,775
Total Medical care programs	30,927,789	35,740,343	38,635,707	43,946,921	47,329,065	50,674,394	53,126,150	55,140,494	57,177,015	58,873,660
Medical and prosthetic research	412,000	446,480	480,000	510,000	581,000	579,838	581,000	581,905	585,664	588,513
DoD/VVA health care sharing Incentive fund	30,000	70,000	90,000	34,000	55,000	130,000	130,000	30,000	30,000	15,000
Joint DoD/VVA Medical Facility Demonstration Fund						104,004	375,758	378,156	383,749	398,706
Total medical programs	31,369,789	36,256,823	39,205,707	44,490,921	47,965,065	51,488,236	54,212,908	56,130,555	58,176,428	59,875,879

<p align="center">Budget Authority 2006 - 2015 Actuals <i>(dollar in thousands)</i></p>											
Appropriation/Fund Account	2006 (Net)	2007 (Net)	2008 (Net)	2009 (Net)	2010 (Net)	2011 (Net)	2012 (Net)	2013 (Net)	2014 (Net)	2015 (Net)	
Veterans Choice Act											
Construction, major projects	1,560,519	399,000	1,531,477	923,382	1,194,000	1,073,734	589,604	738,767	15,000,000	0	
Construction, minor projects	233,137	524,937	630,535	741,534	703,000	466,765	482,386	606,728	342,130	692,000	
Grants for the construction of State extended care facilities	85,000	85,000	165,000	325,000	100,000	84,830	85,000	84,888	714,870	492,200	
Grants for the construction of State veterans cemeteries	32,000	32,000	39,500	42,000	46,000	45,908	46,000	45,939	85,000	90,000	
Total construction programs	1,910,656	1,040,937	2,366,512	2,031,916	2,043,000	1,671,237	1,202,990	1,476,322	1,188,000	1,320,200	
Information Technology	1,231,420	1,247,846	2,358,122	2,798,182	3,307,000	2,991,624	3,104,771	3,514,979	3,696,555	3,895,070	
National cemetery administration	149,798	160,231	193,858	280,000	250,000	249,500	250,934	260,043	249,000	256,630	
General operating expenses and misc.:											
General operating expenses	1,373,240	1,586,372	1,751,758	1,954,167	2,086,707	2,132,502	2,018,764	2,161,403	2,465,490	2,531,900	
VBA General Operating Expenses	0	0	0	0	0	396,705	416,737	424,176	413,885	320,015	
General Administration	0	0	0	0	67,000	0	0	0	0	99,180	
Board of Veterans' Appeals	0	0	0	198,000	0	0	0	0	0	0	
Filipino veterans equity compensation fund	0	0	0	0	0	0	0	0	0	0	
Franchise Fund	0	0	0	0	0	0	0	0	0	-36,030	
Office of Inspector General	69,074	70,641	80,500	88,818	109,000	108,782	112,391	114,848	121,411	126,686	
Total GOE and miscellaneous	1,442,314	1,657,013	1,832,258	2,240,985	2,262,707	2,637,989	2,547,892	2,700,427	3,000,786	3,041,751	
Total appropriations (adjusted)	72,125,146	80,602,410	88,934,780	96,930,076	123,293,743	121,796,936	123,131,501	134,563,190	164,246,284	159,383,008	
DEDUCT: Proprietary receipts from the public	-1,994,172	-2,226,653	-2,477,000	-2,766,908	-2,847,565	-2,770,663	-2,814,245	-2,887,062	-3,087,989	-3,445,136	
Total federal funds	70,130,974	78,375,757	86,457,780	94,163,168	120,446,178	119,026,273	120,317,256	131,676,128	161,158,295	155,937,872	
Trust funds:											
Post-Vietnam era veterans education account	333	230	820	49	6	8	6	0	0	0	
General post fund	31,851	30,754	39,718	36,365	26,950	28,024	25,962	31,097	28,539	23,447	
Pershing Hall revolving fund	0	0	0	0	0	0	0	0	0	0	
National service life insurance	1,185,856	1,138,518	1,144,755	1,117,152	1,078,083	1,042,461	979,393	1,043,205	898,244	907,298	
U.S. Government life insurance	6,322	4,000	5,295	4,688	4,294	3,690	3,221	2,061	2,139	1,589	
Service-disabled veterans insurance fund	0	0	0	0	0	0	0	0	0	0	
Veterans reopened insurance fund	0	0	0	0	0	0	0	0	0	0	
Veterans special life insurance fund	0	0	0	0	0	0	0	0	0	0	
Servicemembers' group life insurance fund	-20	0	0	0	0	0	0	0	0	0	
National cemetery gift fund	396	0	0	0	0	0	0	0	0	0	
Total trust funds (gross)	1,224,738	1,173,502	1,190,588	1,158,254	1,109,333	1,074,183	1,008,582	1,076,363	928,922	932,134	
DEDUCT: Proprietary receipts from the public	-1,710,188	-1,393,310	-1,691,506	-1,372,124	-684,058	-531,188	-530,144	-402,618	-238,934	-492,005	
Total trust funds (net)	-485,450	-219,808	-500,918	-213,870	425,275	542,995	478,438	673,745	689,988	440,129	
DEDUCT: Intragovernmental transactions	-886	-725	-1,191	-1,303	-1,269	-1,015	-793	-195	-162	-133	
Total Department of Veterans Affairs	\$71,025,856	\$79,563,302	\$88,507,651	\$97,026,177	\$124,427,184	\$122,809,377	\$124,150,606	\$136,124,703	\$165,793,677	\$160,529,568	

<p align="center">Budget Outlays 2006 - 2015 Actuals <i>(dollar in thousands)</i></p>										
Appropriation/Fund Account	2006 (Net)	2007 (Net)	2008 (Net)	2009 (Net)	2010 (Net)	2011 (Net)	2012 (Net)	2013 (Net)	2014(Net)	2015 (Net)
Federal Funds:										
Benefit programs:										
Compensation & pensions	\$34,680,630	\$34,599,803	\$40,241,426	\$44,734,687	\$47,901,439	\$57,577,997	\$54,754,081	\$64,759,196	\$69,817,427	\$75,230,757
Readjustment benefits	2,949,314	2,999,468	3,209,553	3,875,395	8,316,712	10,705,469	10,330,493	12,807,152	13,355,332	13,235,989
Veterans insurance and indemnities	45,956	49,873	41,332	47,659	44,927	81,667	99,777	104,044	76,684	63,257
Veterans housing benefit program fund liquidating account	-71,812	-28,340	-24,632	-11,868	-9,892	-8,828	-8,545	-17,115	-15,555	-13,550
Veterans housing benefit program fund	213,086	208,472	969,168	467,660	974,811	1,533,530	1,729,965	1,535,044	2,203,308	1,023,919
Native American veteran housing loan program	566	571	628	617	664	663	1,116	1,088	2,437	2,222
Service-disabled veterans insurance fund	-5,713	-8,085	3,407	8,004	5,974	-16,423	-22,934	-17,706	7,904	18,942
Veterans reopened insurance fund	20,956	22,973	23,121	24,649	23,110	26,733	28,080	27,462	26,703	28,608
Vocational rehabilitation loans program account	348	350	355	375	357	354	358	362	437	481
Servicemembers' group life insurance fund	-19	-25	-17	-11,247	11,208	-17	-15	-8	-6,000	6,266
Total benefits programs	37,833,312	37,845,060	44,464,341	49,135,931	57,269,310	69,901,145	66,912,376	79,199,519	85,468,677	89,596,891
Medical programs:										
Medical care										
Medical services	23,855,420	26,083,319	30,038,203	33,969,490	36,580,626	39,583,974	40,198,800	42,382,283	46,027,803	49,749,412
Medical support and compliance	3,695,558	3,640,454	3,634,998	4,224,639	4,711,724	5,344,172	5,288,202	5,431,770	5,726,631	5,818,150
Medical facilities	3,341,474	3,544,804	4,241,189	4,639,594	5,057,072	5,478,874	5,442,108	5,505,289	5,158,341	5,016,838
Total Medical care programs	30,892,452	33,268,577	37,914,390	42,833,723	46,349,422	50,407,020	50,929,110	53,319,342	56,912,775	60,584,400
Medical and prosthetic research	406,094	403,841	436,626	507,911	520,904	558,875	584,297	536,142	608,343	612,105
VA/DoD health care sharing Incentive fund	6,861	35,663	41,567	42,538	46,920	88,800	61,000	35,006	56,058	76,109
Joint DoD/VA medical Facility Demonstration Fund	0	0	0	0	0	64,456	342,312	350,467	365,756	359,350
Canteen service revolving fund	2,622	-3,355	3,762	16,313	6,120	7,862	-21,392	-16,136	-20,437	-11,495
Total medical programs	31,308,029	33,704,726	38,396,345	43,400,485	46,923,366	51,127,013	51,895,327	54,224,821	57,922,495	61,620,469

Budget Outlays 2006 - 2015 Actuals (dollar in thousands)											
Appropriation/Fund Account	2006 (Net)	2007 (Net)	2008 (Net)	2009 (Net)	2010 (Net)	2011 (Net)	2012 (Net)	2013 (Net)	2014(Net)	2015 (Net)	
Construction programs:											
Construction, major projects	237,185	437,136	528,791	658,137	990,942	1,011,708	738,251	698,505	914,491	1,207,209	
Construction, minor projects	259,427	267,315	412,682	507,720	535,426	578,966	549,607	442,158	387,000	507,115	
Grants for the construction of State extended care facilities	122,106	108,793	115,634	128,794	108,716	124,369	201,011	94,762	109,530	94,751	
Grants for the construction of State veterans cemeteries	37,354	25,585	31,092	29,848	36,406	49,872	27,697	55,072	40,000	44,000	
Total construction programs	656,072	838,829	1,088,199	1,324,499	1,671,490	1,764,915	1,516,566	1,290,497	1,451,021	1,853,075	
Information Technology	622,136	1,111,376	1,988,974	2,395,337	2,525,805	3,354,500	3,265,767	3,217,999	3,432,096	3,792,122	
National cemetery administration	148,734	156,263	167,002	209,275	250,431	254,521	255,005	258,138	267,874	269,758	
General operating expenses and misc.:											
General operating expenses	1,544,925	1,476,092	1,628,150	1,839,593	1,897,029	2,232,616	2,143,680	2,131,134	2,357,710	2,602,792	
VBA General Operating Expenses						404,860	283,965	322,389	414,052	313,538	
General Administration										89,065	
Board of Veterans' Appeals										177	
Filipino veterans equity compensation fund	0	0	0	82,438	113,131	10,099	1,659	1,080	558	177	
Franchise fund	0	10,000	33,784	13,101	-28,243	-54,809	13,462	-40,313	-54,716	-21,906	
Office of Inspector General	72,815	71,696	71,583	88,445	96,650	109,148	111,563	117,788	114,638	126,493	
Supply fund	261,043	29,000	2,564	-27,367	-30,874	-45,803	64,631	83,906	131,156	-73,999	
Veterans Choice Act	0	0	0	0	0	0	0	0	0	1,917,338	
Pershing hall revolving fund	-45	-45	-136	0	0	0	0	0	0	0	
Total GOE and miscellaneous	1,878,738	1,586,743	1,735,945	1,996,210	2,047,693	2,656,111	2,618,960	2,615,984	2,963,398	4,953,498	
Total appropriations (adjusted)	71,676,151	73,975,358	85,684,830	95,857,125	107,911,859	125,449,184	122,943,229	137,330,821	147,805,591	158,023,933	
DEDUCT: Proprietary receipts from the public	-1,994,172	-2,226,653	-2,477,000	-2,766,908	-2,421,010	-2,588,294	-2,887,965	-2,711,985	-3,120,455	-3,429,026	
Total federal funds	69,681,979	71,748,705	83,207,830	93,090,217	105,490,849	122,860,890	120,055,264	134,618,836	144,685,136	154,594,907	
Trust funds:											
Post-Vietnam era veterans education account	2,375	2,200	2,030	1,909	1,498	1,341	825	598	426	275	
General post fund	30,324	29,670	27,082	37,589	26,466	25,799	24,321	19,752	19,507	21,222	
National service life insurance	1,199,743	1,168,739	1,163,064	1,188,023	1,147,080	1,130,388	1,070,913	1,025,809	952,271	1,013,495	
U.S. Government life insurance	7,661	7,003	6,190	6,290	5,537	5,169	5,012	3,622	2,647	1,995	
Veterans special life insurance	-31,852	-25,224	-14,164	-1,582	4,434	15,322	27,275	39,029	56,801	71,888	
National cemetery gift fund	79	0	0	0	0	0	0	0	0	0	
Total trust funds (gross)	1,208,330	1,182,388	1,184,202	1,232,229	1,185,014	1,178,019	1,128,346	1,088,810	1,031,652	1,108,875	
DEDUCT: Proprietary receipts from the public	-1,710,188	-1,393,310	-1,691,506	-1,366,596	-689,584	-531,188	-530,144	-402,855	-238,969	-492,005	
Total trust funds (net)	-501,858	-210,922	-507,304	-134,367	495,430	646,831	598,202	685,955	792,683	616,870	
DEDUCT: Intragovernmental transactions	-886	-725	-1,191	-1,303	-1,269	-1,015	-793	-195	-162	-133	
Total Department of Veterans Affairs	\$69,950,105	\$72,804,697	\$84,855,311	\$95,559,159	\$108,761,246	\$127,115,727	\$124,173,445	\$138,780,731	\$149,177,628	\$159,273,524	

<i>Total Average Employment 2006 - 2015 Actuals</i>										
Appropriation/Fund Account	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Medical Programs										
Medical Services	135,186	140,491	158,263	172,338	178,913	185,064	187,313	195,679	205,003	216,337
Medical Support and Compliance	36,244	37,405	35,847	39,851	42,434	45,258	47,021	48,610	50,323	49,479
Medical Facilities	26,470	26,678	22,291	23,430	23,790	23,908	23,321	23,641	23,023	23,644
Total Medical Care Programs	197,900	204,574	216,401	235,619	245,137	254,230	257,655	267,930	278,349	289,460
Medical and Prosthetic Research	3,193	3,175	3,142	3,226	3,352	3,526	3,496	3,445	3,446	3,521
DoD-VA Health Care Sharing Incentive Fund		88	126	126	127	132	151	165	44	57
Joint DoD-VA Medical Facility Demonstration Fund						479	1,957	2,016	2,082	2,127
Veterans Choice										30
Canteen Service Revolving Fund	2,965	2,953	3,008	3,170	3,246	3,274	3,294	3,307	3,258	3,351
Total Medical Programs	204,058	210,790	222,677	242,141	251,862	261,641	266,554	276,863	287,179	298,546
Construction Programs										
Construction, major projects	0	0	0	0	0	0	0	0	0	0
Construction, minor projects	19	17	19	12	8	0	0	0	0	0
Total Construction Programs	19	17	19	12	8	0	0	0	0	0
General Operating Expenses										
Veterans Benefits Administration	12,810	13,504	14,965	17,123	19,605	19,990	20,325	21,130	20,822	21,522
General Administration	2,589	2,901	2,420	2,591	2,753	2,941	2,972	3,117	3,205	2,586
Total General Operating Expenses	15,399	16,405	17,385	19,714	22,358	22,931	23,297	24,247	24,027	24,108
Information Technology**	**	**	6,348	6,710	6,853	7,004	7,311	7,362	7,291	7,309
National Cemetery Administration	1,527	1,541	1,512	1,622	1,670	1,676	1,652	1,690	1,712	1,730
Office of Inspector General	480	470	448	509	553	633	637	633	641	676
Board of Veterans' Appeals										646
Franchise Fund	688	726	702	769	822	1,054	1,020	1,089	1,153	1,217
Supply Fund	435	426	407	504	699	803	896	957	1,013	1,048
Total Department of Veterans Affairs	222,605	230,375	249,498	271,981	284,825	295,742	301,366	312,841	323,016	335,280

** Reflects change in the IT appropriations structure as enacted in 2008.

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Employees on Paid Administrative Leave

As required by the Veterans Access, Choice, and Accountability Act of 2014, Public Law 113-146

Under SEC. 208: The materials on the Department of Veterans Affairs in the budget of the President for a fiscal year, as submitted to Congress pursuant to section 1105(a) of title 31, United States Code, shall set forth the following:

(5) The number of employees of the Department on paid administrative leave at any point during the fiscal year preceding the fiscal year in which such budget is submitted.

There are many reasons an employee may be on a paid administrative leave status. VA Handbook 5011, Hours of Duty and Leave Policy, identifies 40 different types of authorized absences that can be classified as administrative leave, including excused absences to vote, blood or organ donation, certain military related activities (including military funerals), closure for weather and emergency conditions, Executive Orders for holidays, and disciplinary actions or pending investigations. Accordingly, over the course of any given year, the majority of employees are likely to have an entry as paid administrative leave for any one or more of the different types of administrative leave. The data below is the administrative leave status for the end date of fiscal year 2015.

Number of VA Employees on paid administrative leave on September 30, 2015:

Veterans Health Administration	8,867
Veterans Benefits Administration	266
National Cemetery Administration	23
Information Technology Office	101
General Administration Offices	42
Total	9,299

VA's pay system currently in use across the major portion of the Department is not able to identify the specific purpose that any one employee may have been in a paid administrative leave status. However, VA is in the process of implementing a new VA Time and Attendance System (VATAS). The new system will allow VA to more clearly identify the specific leave purpose from among the many different types of administrative leave. As of this time, only about 25,000 employees are supported by VATAS with an aggressive rollout plan underway in 2016.

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Performance Summary

Department of Veteran Affairs FY 2017 Performance Summary (1/12/16)									
Performance Indicators, Historical Milestones & Agency Priority Goals	Performance Results & History					Fiscal Year Targets			Strategic Target
	2011	2012	2013	2014	2015	2016 (Final)	2017	2018	2021 (Target)
Veterans Health Administration (VHA)									
Medical Care - Existing Measures									
Percentage of Veterans reporting employment at a discharge from VA homeless residential programs (#604)	N/Av	N/Av	N/Av	42%	45%	45%	45%	TBD	TBD
Percent of participants at risk for homelessness (Veterans and their households) served in SSVF that were prevented from becoming homeless (#606)	N/Av	90%	88%	90%	84%	85%	85%	85%	85%
Percent of patients who responded "yes" on Patient Centered Medical Home survey questions that contribute to the Self-Management Support Composite (providers support you in taking care of your own health) (#386)	N/Av	N/Av	N/Av	57%	58%	58%	58%	59%	64%
The average patients rating VA health care on a scale from 0 to 10 (Inpatient) (#537)	N/Av	N/Av	N/Av	N/Av	8.6	8.75	8.8	8.8	9.03
Percent of patients who responded "Always" regarding their ability to get an appointment for needed care right away (Patient Centered Medical Home Survey)(#539)	N/Av	N/Av	N/Av	44%	44%	47%	48%	49%	59%
Percent of patients who respond "Always" regarding their ability to get an appointment for a routine checkup as soon as needed (Patient Centered Medical Home Survey)(#543)	N/Av	N/Av	N/Av	53%	52%	56%	57%	58%	67%
The average patients rating VA primary care provider on a scale from 0 to 10 on the Patient Centered Medical Home Survey (#544)	N/Av	N/Av	N/Av	N/Av	8.46	8.65	8.7	8.75	8.95
Mental Health Balanced Scorecard (#598)	N/Av	N/Av	N/Av	N/Av	N/Av	(Baseline)	90% of facilities at/or above target	95% of facilities at/or above target	98% of facilities at/or above target
Medical Care - New Measures									
The average patients rating VA specialty care provider on a scale from 0 to 10 on the Specialty Care Survey	N/Av	N/Av	N/Av	N/Av	N/Av	N/Av	(Baseline)	TBD	TBD
Percent of Specialty Care patients who responded "Always" regarding their ability to get an appointment for needed care right away	N/Av	N/Av	N/Av	N/Av	N/Av	N/Av	(Baseline)	TBD	TBD
Percent of Primary Care patients who responded "Always" regarding their ability to get an appointment for needed care right away	N/Av	N/Av	N/Av	N/Av	N/Av	N/Av	(Baseline)	TBD	TBD
Percent of Primary Care patients who respond "Always" regarding their ability to get an appointment for a routine checkup as soon as needed	N/Av	N/Av	N/Av	N/Av	N/Av	N/Av	(Baseline)	TBD	TBD
Percent of Specialty Care patients who respond "Always" regarding their ability to get an appointment for a routine checkup as soon as needed	N/Av	N/Av	N/Av	N/Av	N/Av	N/Av	(Baseline)	TBD	TBD
Patient Safety Indicator (PSI) 90						TBD	TBD	TBD	TBD

Veterans Benefit Administration (VBA)									
Compensation - Existing Measures									
National Accuracy Rate - Disability Compensation Rating Claims (#303)	84%	86%	90%	90%	90%	91.5%*	92%		93%
Percentage of VA Disability Rating Claims Pending More Than 125 Days Old (#308)	60%	66%	58%	47%	20%	20%**	15%		10%
National Accuracy Rate - Disability Compensation Rating Claims - Issue Based (#304)	N/Av	(baseline)	96%	96%	96%	96%*	96%		97%
Number of registered eBenefits users (Millions) (#443)	1	1.93	3.06	4.14	5.16	5.7	6.3		7.5
Percent of disability compensation claims received virtually/electronically (#444)	N/Av	N/Av	2%	7%	13%	28%	36%		60%
Number of accredited Veterans advocates who are registered users on the Stakeholder Enterprise Portal (SEP) (Thousands) (#446)	N/Av	N/Av	1	1.86	3.30	4.20	4.90		7.00
National Call Center Client Satisfaction Index Score (out of 1000) (#485)	N/Av	731	723	748	756	756	758		792
Overall Customer Satisfaction Index Score (out of 1000) (Compensation) (#491)	N/Av	N/Av	N/Av	N/Av	646	650	654		671
Percentage of Disability Compensation Claims Inventory Over 125 Days (#576)	62%	67%	59%	48%	20%	20%**	15%		10%
Appeals Processing - Notices of Disagreement (NODs) Average Days Pending (#545)	N/Av	N/Av	N/Av	N/Av	402	437	459		535
Appeals Processing - Formal Appeals to the Board (Form 9) Pending Inventory (Thousands) (#607)	N/Av	N/Av	N/Av	N/Av	56,630	93,943	137,921		415,647
Appeals Processing - Notices of Disagreement (NODs) Pending Inventory (Thousands) (#514)	N/Av	N/Av	N/Av	N/Av	228,085	337,928	405,297		724,364
IDES Benefits Notification Stage - Percent of IDES participants who will receive VA Benefit notification letters within 30 days of discharge (#469)	N/Av	N/Av	N/Av	N/Av	55%	80%	80%		80%
Pension and Fiduciary - Existing Measures									
Pension Call Center Client Satisfaction Index Score (out of 1000) (#484)	N/Av	N/Av	732	766	770	770	772		795
Overall Customer Satisfaction Index Score (out of 1000) (Pension) (#490)	N/Av	N/Av	N/Av	N/Av	684	688	692		706
Average Days to Complete - Original Survivors Pension Claims (#498)	172	231	251	193	89	80	75		75
Backlog: Percentage of Original and Reopened Pension Claims Inventory Over 125 Days(Supports Agency Priority Goal) (#577)	N/Av	34%	37%	5%	3%	5%**	5%		3%
Backlog: Percentage of Dependency and Indemnity Compensation (DIC) Claims Inventory Over 125 Days(Supports Agency Priority Goal) (#578)	N/Av	41%	26%	16%	12%	11%**	9%		5%

<i>Pension and Fiduciary - New Measures</i>									
Average Days to Complete - Follow-Up Field Examinations (#TBD)	N/Av	N/Av	N/Av	N/Av	257	264	383		120
Average Days to Complete - Initial Appointment Process (#TBD)	N/Av	N/Av	N/Av	N/Av	204	244	186		76
<i>Education - Existing Measures</i>									
Average Days to Complete Original Education Claims (#218)	24	31	26	17	18	28	21		21
Average Days to Complete Supplemental Education Claims (#219)	12	17	10	6	7	14	9		9
Education Call Center Client Satisfaction Index Score (out of 1000) (#476)	781	760	803	832	831	832	835		840
Overall Customer Satisfaction Index Score (out of 1000) (Education) (#489)	N/Av	N/Av	N/Av	N/Av	754	754	757		760
Percent of Post 9/11 GI Bill participants who successfully completed an education or training program (#494)	N/Av	N/Av	N/Av	N/Av	N/Av	(Baseline)	TBD		TBD
<i>Vocational Rehabilitation and Employment (VR&E) - Existing Measures</i>									
Veterans' Satisfaction with the Vocational Rehabilitation and Employment Program (out of 1000) (#488)	N/Av	N/Av	N/Av	N/Av	658	658	665		698
VR&E Class Persistence Rate (#601)	N/Av	N/Av	N/Av	N/Av	N/Av	(Baseline)	TBD		TBD
VR&E Employment Outcome Rate (#602)	N/Av	N/Av	N/Av	N/Av	N/Av	(Baseline)	TBD		TBD
VR&E Class Success Rate (#600)	N/Av	N/Av	N/Av	N/Av	N/Av	(Baseline)	TBD		TBD
<i>Loan Guaranty - Existing Measures</i>									
Default Resolution Rate (DRR) (#226)	83%	81%	79%	80%	83%	80%	80%		85%
Veterans' Satisfaction Level with the VA Loan Guaranty Program (out of 1000) (#487)	N/Av	N/Av	N/Av	N/Av	819	822	825		835
<i>Loan Guaranty - New Measure</i>									
Specially Adapted Housing (SAH) grantees who believe adaptation obtained under the program has helped them live more independently (#TBD)	N/Av	N/Av	N/Av	N/Av	N/Av	(Baseline)	TBD		TBD
<i>Insurance - Existing Measure</i>									
Rate of High Client Satisfaction Ratings on Insurance Services Delivered (#214)	95%	95%	93%	94%	94%	95%	95%		95%

National Cemetery Administration (NCA)									
Memorial Services - Existing Measures									
Percent of Veterans served by a burial option within a reasonable distance (75 miles) of their residence. (#234)	89%	89.60%	89.50%	89.80%	89.8	91.50%	91.80%		95%
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent. (#580)	95%	96%	96%	96%	96%	97%	97%		99%
Percent of respondents who rate national cemetery appearance as excellent (#581)	98%	99%	99%	98%	99%	99%	99%		99%
Percent of respondents who would recommend the national cemetery to Veteran families during their time of need (#582)	98%	99%	99%	98%	99%	99%	99%		99%
Percent of respondents who agree or strongly agree that the quality of the headstone or marker received from VA was excellent (#583)	95%	91%	90%	90%	93%	92%	93%		99%
Percent of respondents who agree or strongly agree that the quality of the Presidential Memorial Certificate received from VA was excellent (#584)	94%	90%	89%	87%	89%	91%	92%		99%
Board of Veterans Appeals (BVA)									
BVA - Existing Measures									
Access: Appeals Dispositions - Average Days to Complete Returned Remands (Measuring from Date Case is Returned to the Board after Remand until Board Disposition Date)(Supports Agency Priority Goal) (#571)	N/Av	N/Av	N/Av	N/Av	244	244	244		0
Backlog: Appeals Dispositions - Average Days to Complete Original Appeals (From Date of Certification (Form 8) until Board Disposition Date)(Supports Agency Priority Goal) (#573)	N/Av	N/Av	N/Av	N/Av	531	531	531		0
Office of Public and Intergovernmental Affairs (OPIA)									
OPIA - Existing Measures									
Increase veteran traffic to and from the various VA content delivery platforms (#TBD)	N/Av	N/Av	N/Av	N/Av	N/Av	(baseline)	(baseline)		10%
Increase percentage of Veterans aware of using benefits, reached through advertising and marketing efforts (#536)	N/Av	5%	15%	26%	19.80%	15%	15%		15%
Percent of visitors to VA's Website that indicated that they are satisfied/highly satisfied with information presented (#43)	67%	0%	74%	67%	66%	77%	N/A		80%
Human Resources and Administration (HRA)									
HRA - Existing Measures									
Percentage of VA employees who are Veterans (#278)	32%	32.04%	32.20%	32.66%	N/Av	34.30%	N/Av		40%
OPM Federal Employee Viewpoint Survey (FEVS) Employee Engagement Index Score (Percentage of responses marked "Positive") (#608)	N/Av	N/Av	N/Av	N/Av	N/Av	63%	N/Av		67%
HRA - New Measure									
Employee Experience Snapshot: Percent of 'Positive' Responses to the six Improve Employee Experience (IEE) Agency Priority Goal Questions (Supports Agency Priority Goal)	N/Av	N/Av	N/Av	N/Av	(Baseline)	63%	69%		TBD

Office of Veteran Experience (OVE)									
OVE New Measures									
Trust in VA among America's Veterans (Supports VE APG)	N/Av	N/Av	N/Av	N/Av	N/Av	TBD	TBD		TBD
Customer experiences with VA that are viewed positively by Veterans (supports VE APG)	N/Av	N/Av	N/Av	N/Av	N/Av	TBD	TBD		TBD
Office of Inspector General (OIG)									
OIG - Existing Measures									
Number of reports (audit, inspection, evaluation, contract review, and CAP reports) issued that identify opportunities for improvement and provide recommendations for corrective action (#585)	301	299	349	310	390	320	330		340
Number of arrests, indictments, convictions, criminal complaints, pretrial diversions, and administrative sanctions (#586)	1,939	2,683	2,491	2,537	2,536	2,300	2,400		2,750
Monetary benefits (dollars in millions) from audits, investigations, contract reviews, inspections, and other evaluations (#587)	\$ 7,122	\$ 3,477	\$ 3,589	\$ 2,300	\$2,167	\$2,100	\$2,200		\$2,800
Return on investment (monetary benefits divided by cost of operations in dollars) (#588)	76	36	36	22	20	18	18		20
Percentage of Recommendations implemented within 1 year to improve efficiencies in operations through legislative, regulatory, policy, practices, and procedural changes in VA (#590)	87%	87%	81%	85%	89%	85%	85%		85%
Percentage of Recommended recoveries achieved from post-award contract reviews (#591)	100%	100%	100%	100%	100%	96%	98%		98%
OIG New Measure									
Percent of full cases that result in criminal, civil, or administrative actions.							72%		85%

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Selected Facilities by Type

Selected VA Facilities by Type

(As of December 2015)

Type of Facility	Number
Domiciliary Rehabilitation Treatment Programs - As of September 30, 2015	113
Geriatric Research, Education, and Clinical Centers	20
Health Administration Management Center	1
Independent Outpatient Clinics*	N/A
Insurance Center	1
National Cemetery Districts	5
Mobile Clinics*	N/A
Extended Care (Community Living Centers)	135
Orthotic and Prosthetic Services on-site stations	78
Prosthetic and Sensory Aids Restoration Clinics	3
Regional Loan Centers	9
Records Management Center	1
Regional Offices	56
Regional Pension Management Centers	3
Regional Education Processing Offices	4
Fiduciary Hubs	6
VA Hospitals	144
VA National Cemeteries	134
VA Outpatient Clinics - As of September 30, 2015	755
Vet Centers - As of September 30, 2015	300
Mobile Vet Centers - As of September 30, 2015	80
Veterans Benefits Administration District Offices	5
Veterans Integrated Service Networks (VISNS)	21

*These types of facilities are no longer counted as a result of implementing the new VHA Site Classification and Definitions Handbook (effective December 30, 2013)

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